

Minutes of Nevada Department of Transportation
Board of Director's Meeting
January 13, 2014

Governor Brian Sandoval
Lt. Governor Brian Krolicki
Controller Kim Wallin
Frank Martin
Tom Skancke
Len Savage
Tom Fransway
Rudy Malfabon
Bill Hoffman
Dennis Gallagher

Sandoval: -- the Department of Transportation Board of Director's meeting to order. Happy New Year everyone. Before we commence with the Agenda, I'd like to welcome our new member, Tom Skancke. I'm very pleased to have him here. Hopefully, you've all had an opportunity to review his background, but he's certainly is considered one of the top transportation experts, not just in Nevada, but in the United States of America. Tom, I want to welcome you and ask you to introduce yourself.

Skancke: Thank you, Governor. It is an honor for me to be here today and serve with you and the other members of this state board. For the better part of 20 years of my career, I've spent in the transportation strategy and advocacy arena. And I've had the chance to work with the Department of Transportation in the state of Nevada for the past 20 years. And I think the team that is assembled here and the work that they do is pretty spectacular. I've had the chance to work with several DOTs across the country in my career, and I think what the Nevada Department of Transportation, with the size of the budget that we have and the -- and the amount of projects that we have to deal with, I think the team here does an amazing job.

I want to thank you, Governor, for the opportunity to serve and for appointing me to this Board. It is -- it's the first state board that I've ever been appointed to, and when you called me to ask to serve I was overwhelmed with the fact that you would consider me to serve here. So I appreciate the opportunity and look forward to working with you and the rest of the Board and the Department going forward.

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- Sandoval: Thank you very much, Tom. And I understand that we do have a lot of press here and just for everyone's benefit so you all know what -- the order that I'm going into is. It's my intent to go through Agenda Item No. 5 and then jump to Agenda Item No. 15. We should be able to move pretty swiftly through the first five items and then again we'll go to 15.
- So the first item on the Agenda is presentation of retirement plaques to 25 plus year employees. Director Malfabon.
- Malfabon: Thank you, Governor. We have several retirees, but I think that one of them that's present today is Bill Bass. So I would like Bill to come on up and have a photo opportunity with the Board.
- Sandoval: Will you tell us a little bit about Mr. Bass?
- Malfabon: Yes. Mr. Bass served -- was it --
- Bass: Thirty-five years.
- Malfabon: -- 35 years, yes, on a -- he was a maintenance supervisor in -- I'm sorry.
- Bass: Reno and I-80.
- Malfabon: Yes. So I wanted to thank you for your 35 years of service.
- Bass: Thank you.
- Malfabon: We're sorry to see you go.
- Bass: Thank you.
- Malfabon: All of those years of experience going out the door. But we wish you the best.
- Sandoval: And on behalf of the Board and all the people in the state of Nevada, 35 years that's a remarkable accomplishment. We appreciate your selfless service to the great state of Nevada. Enjoy. It's very well deserved.
- Malfabon: Governor, Board members, I'm sorry. I apologize, I forgot the list of other retirees that were not present, but I did want to read off their names later. So we could go to --
- Sandoval: Why don't you go ahead and do that now.

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Malfabon: Okay. Okay. Holli went to go get the list for me. I'm sorry.

Sandoval: Oh, okay. Then why don't we go ahead and move to the presentation of the awards.

Malfabon: Thank you, Governor. We received an award from the American Planning Association for the Virginia City Streetscape and Hanson Project and Visitors Welcome Center. This project enhanced Virginia Street by installing some historic gas lamps; kind of refurbished the walkway, the wooden path there and included new restrooms and visitor attractions to enhance the visitor and residential experience of the historic mining town.

It was mentioned by the American Planning Association that they recognized the project for exemplifying the best efforts of the planning community to affect the silver state in a positive way. The National American Planning Association subsequently named Virginia City's C Street as a Top 10 Great Street in the nation.

To accept the award is the head of our -- Kristena Shigenaga is the assistant in roadway design, and she's going to kind of represent the project team for NDOT on this effort. She oversees the local planning group at NDOT that does a lot of contracts with local agencies that administer federal aid contracts. Kristena -- is she in the audience? I should have kept you all down here.

Okay. To recognize some of the other retirees, Governor, if I may. Mike Timko was a Highway Maintenance Worker III in Ely, 27 years of service. Pablo Villa Juado was a Supply Tech II in the Reno equipment shop with 33 years. Janine Bliss was an Engineering Tech IV in right-of-way, 25 years. Rick Gainer, Supervisor III in Las Vegas, Construction Crew 902, 30 years. And Charles Jones, Highway Supervisor Maintenance I in Hawthorne, 32 years. Hawthorne.

Just -- I'm sure that you'll join me in thanking those folks for their several years of service to the -- not only to NDOT; to the state of Nevada.

Sandoval: Thank you, Mr. Director. And I, again, I think I can speak for all the Board how much we appreciate all the individuals that we recognize today for your service to the state. If you add all of the years up it's remarkable. And

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Mr. Bass, again, thank you for your service to the state of Nevada. Enjoy those grandkids.

Bass: Thank you.

Sandoval: All right. Mr. Director, we will proceed with Agenda Item No. 3, Director's Report.

Malfabon: Thank you, Governor. Just to give you an idea of the federal outlook for the next six months, this week Congress will be dealing with the federal debt ceiling before Wednesday. They'll start conducting hearings in the next few months on the transportation bill, Reauthorization Map 21. And there will be draft legislation soon, probably we hope around the middle of the year. And then one of the significant factors is that the highway trust fund will run out of cash. Basically, the fuel tax revenues are not enough to sustain the spending levels that Congress has approved previously for the state.

So going forward something has to happen, either a correction on the amount of federal funding to the states or some options that are being considered. Obviously, indexing the gas tax, raising the gas tax. Also there's a proposal considered to have a levy paid on oil at oil refineries. So there's various options being considered. None have been, you know, written up into a bill yet, but we will keep the Transportation Board informed as that progresses.

I will be visiting with the Congressional Delegation towards the end of February, along with -- it's the annual AASHTO group of state DOT directors goes to visit their delegations around the end of February each year.

We have some major projects that are advertising soon. US 50, which will be discussed a little bit later in Agenda Item 15 is advertising at the end of this month that'll make some safety improvements on US 50. Also I-80 Golconda to Pumpernickel Valley -- a substantial kind of pavement preservation project advertises also at the end of the month.

You'll receive a quarterly report on Project NEON later in the Agenda, but just briefly the Interim Finance Committee did approve the -- a work order for NDOT to receive and expend \$100 million of bond revenue for the right-of-way. Tomorrow we will go the Board of Finance to make that

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request subsequent to the Board approval of the resolution today. The Interim Finance Committee did request that I return to give an overview of the financial structure of the public-private partnership, so that will be explained more in depth to the IFC, not so much for their approval, but for their information.

And you'll see on the Board Agenda later on several agreements that need amendments or new agreements in support of Project NEON. The draft request for proposals has been released to the three teams that are vying for the project that have shortlisted.

A little update on Boulder City Bypass future Interstate 11. On phase 1, which is NDOT's project, we have a project advertised for the frontage road construction and utility relocation. On the RTC of Southern Nevada, phase 2 project. That's a design-build procurement. They've -- they had a request for proposals -- I'm sorry, a request for qualifications, so a shortlisting process. They had five teams that vied for the project and they recently shortlisted three teams; Ames Fisher. That's Ames Construction Fisher Sand and Gravel. Atkins is the designer -- the lead designer on that design-build team. El Dorado Mountain Constructors, which is Skanska USA Civil, Granite Construction and HDR is their designer. And Las Vegas Paving who is teamed up with CA Group as their design firm. So their next step is to go through an RFP process and then eventually award to one of those three teams.

The I-11 and Intermountain West Corridor study team in continuing to conduct more detailed analysis of the alternatives, particularly on the Arizona side; have a lot of meetings scheduled with stakeholders and they expect to wrap up their recommendations around May, and that's when we'll bring it back around May for final presentation to the Transportation Board on that I-11 study. It is jointly funded with Arizona DOT and NDOT.

That concludes the Director's Report.

Sandoval: Thank you, Director Malfabon. Questions for the Director? So, Rudy, with regard to the I-11, are things proceeding as expected with both states?

Malfabon: Yes, it's going to take Arizona a lot longer, Governor, since they haven't performed their environmental impact study for their alignment around the

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Phoenix area. It's pretty much -- a little bit more well-defined as you get closer to the Nevada border. There's, basically, US 93 that runs through there has been improved somewhat, but will have to be brought up interstate standards with controlled access. But it'll be a while before the Arizona I-11 section gets built all the way to Phoenix.

Sandoval: And is there any further developments with regard to (inaudible) north through Nevada 93 to 95?

Malfabon: The study will come up with alternatives, Governor. It won't have one east or west alignment preferred. That will come to pass during the environment study which will take several years to accomplish. But there will -- I anticipate that there will be a couple of alternatives. And when you get into the Las Vegas area, they're looking at other alternatives, not just up Interstate 515, the existing freeway, but also an alternative that would serve as kind of an east -- I mean a north-south alignment kind of in the foothill area where the -- there is no current beltway in Las Vegas that serves that area. So the beltway currently is more of a C-shape. So there's one section of the beltway that's missing that was constructed by Clark County. And this I-11 study will have an option that's going to look at something on the east side of the valley.

Sandoval: Any further questions?

Fransway: Yes.

Sandoval: Member Fransway.

Fransway: Thank you, Governor. You asked Member -- or Mr. Director if, in fact, no legislation is passed to keep the highway trust fund afloat. How will that affect Nevada in any future -- any pending projects that we have? Will there be any emergency funding or --

Malfabon: What we anticipate is that we have to have -- we're developing a backup plan. We have our folks in financial management looking into those numbers. If there was a substantial correction from federal funds, we are basically anticipating that we need to have a budget based on those numbers. But we -- obviously, we're optimistic that Congress will bring to a resolution. When they've had this issue in the -- in the past and what they -- another option that they've done in the past was basically an infusion of

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funds from the general fund to the highway trust fund. That's what they've chosen to do in the past. There might not be as much appetite to do that in the future, but it's still an option that Congress could consider.

Fransway: Okay. Thank you. And I've heard rumors that the TIFIA fund is -- TIFIA grant is on the table. Some people, some legislators are looking at maybe deleting it. Have you heard anything on that?

Malfabon: I haven't heard of the TIFIA Program being stopped. It -- I have heard of the TIGER Grant program possibly stopping. And the idea was that members of Congress are feeling that when they eliminated earmarks that it just gave the discretion to the administration to administer certain grants such as TIGER. And they would like to consider the return of earmarks through some manner. And they looked at the Water Resources Bill that's being considered in Congress, where the Corp of Engineers defined what needed to be done and then that -- those projects got identified in the bill that's being considered. So the idea is that they would like to get a return to members being able to get a project specifically funded in the -- in the bills, but it has to be a bipartisan effort, and they're still working on how to do that. But I have not heard about any impact to the TIFIA Program. That's currently operating under the current bill, Map 21.

Fransway: I may have TIFIA and the TIGER Grant confused there, but I know the TIGER Grant is really important to this state also.

Malfabon: Yes.

Fransway: Okay. Thank you.

Sandoval: Rudy, just one follow-up. Will you -- perhaps you said this, but will you remind me, when is the -- kind of the crunch time -- the important moment regarding the budgeting process and then we should know one way or the other the decision?

Malfabon: They will know -- the bill expires September 30th, so the start of the new fiscal year, and that's about the same time frame when they anticipate that either towards the fall or later part of this year that they will run into the red in the highway trust fund. So that's the important things to consider. And we will, as I said, as the developments occur in Congress, we'll continue reporting monthly to the Transportation Board.

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Sandoval: So we're not too close to the brink yet?

Malfabon: No.

Sandoval: Okay.

Malfabon: And as anticipated, we hope that by the middle of the year that they'll have the draft legislation for the reauthorization of the transportation bill.

Sandoval: Any further questions for the Director?

Malfabon: Governor, I would also like to acknowledge, as part of my report, that AASHTO provided service pins for 25 years of service. Recipients were one retiree, Curtis Todd Montgomery, who retired last year from NDOT. I don't know if Todd Montgomery is here today -- apparently not -- and the other was, just so you can get one more bit of exercise, our Assistant Director of Planning, Tom Greco was acknowledged for 25 years.

What AASHTO does is counts the time that you serve for a state DOT. So even if you go to another -- for instance, when I worked a couple years at Washington State DOT, they kept track of that time. And so they keep track of that. It's probably overdue as far as acknowledging Tom's 25 years, but AASHTO did recognize him with a pin and a certificate. We forgot to get the frame. Our cost-cutting measures took root there. But I wanted to thank Tom for his years of service for the state of Nevada, for NDOT specifically for that 25 years. I know you've got more years of experience than that, but 25 at least with NDOT.

Now that really concludes the Director's Report.

Sandoval: Thank you, Mr. Director. We'll move on to Agenda Item No. 5, which is an approval of the December 9, 2013 meeting minutes. Have all the members had an opportunity to review the minutes and are there any changes?

Fransway: Governor?

Sandoval: Member Fransway.

Fransway: Thank you, Governor. Page 2, please, states that Member Fransway is on his cell phone participating in the meeting. Governor, I actually -- I was participating from NDOT district office in Winnemucca via teleconference.

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Sandoval: If we'd make that change to the minutes. Are there any other changes? If there are none, the Chair will accept a motion for approval of the December 9, 2013 Board of Directors meeting minutes with the change recommended by Member Fransway.

Wallin: Move to approve.

Sandoval: We have a motion --

Fransway: Second.

Sandoval: -- by Madam Controller. Second by Member Fransway. Any questions or discussion? All in favor say aye.

Group: Aye.

Sandoval: Opposed no? The motion passes unanimously. We'll move on -- or we will move to Agenda Item No. 15, Update on NDOT's Safety Efforts Beginning with (A), State Route 160, Blue Diamond Safety Concerns.

Malfabon: Thank you, Governor. I will present the first portion of this safety item specific to Blue Diamond. Our chief safety engineer is currently in Washington, D.C. attending a Transportation Research Board conference.

What we looked at was -- and tragically there was a fatality that occurred with a young lady that was crossing the street with a group of her friends. There's no traffic signal at this location at Blue Diamond and Cimarron. And on December 9th, I was asked to participate in a neighborhood meeting to -- along with Nevada Highway Patrol, Metro Police, the commissioner from -- that represented this district, Commissioner Susan Brager, State Senator Justin Jones and Assemblyman Healey, the Regional Transportation Commission of Southern Nevada was there as well as Clark County Public Works and NDOT.

And we were asked to listen to the public, answer their questions and concerns and discuss some of the options available. What we looked at was -- as you see in your packet, it gives you a little bit of the history of this -- the improvements on Blue Diamond and some of the changes that have occurred. But basically a lot of development occurred here in the southwest part of Las Vegas over the years. We made some improvements, widening.

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We did a speed study in November of 2010 and increased the speed limit to 55 miles per hour along this section, so very high speed.

We had not completed a signal warrant analysis. And before you can install a signal -- a traffic signal, whether it's county, city or state project to install a signal, you have to do this warrant analysis. By law, you can't just put in a signal anywhere. You have to have this signal warrant analysis by national standards. So we did that analysis; recently completed it last week and saw that at least three of the warrants -- signal warrants were met. So it does justify a signal being installed there. So now it becomes a question of what were some of the options to fund the project.

We did look at other options, too, at this location. If you could -- if you look at the intersection there you see some of the development that's occurring, but you see not all of it is fully developed. If you go to the next slide, you see kind of the nature of the roadway there. There's some housing that backs up to the -- to the highway. There's some commercial businesses along there. Off the street a ways would be some schools and a lot of the neighborhood. Next slide.

This shows you, if you look at the light-blue outline along the State Route 160 alignment there you'll see I-15 along the right edge of that slide. But you'll see a blue outline that basically is the limits of the existing street lighting and then you have some blue blocks that are at certain intersections. Those are streetlights that are only at the intersection. So it's not a very well-lit corridor as you get further out.

Typically, the installation of street lighting, while it can occur on a state project, often the county has the developers install the street lighting as they improve with commercial or residential property along that highway. So there are some intersections that are lit and some of them have signals. If you see on the most far right square -- blue square is Buffalo. There's an existing signal there. And then you have -- Cimarron is the one with the green outline around it. That's the unsignalized intersection, although there is lighting at that intersection.

Durango has a traffic signal. And in the other two squares up to El Capitan do not have traffic signals but they have lighting. And then you get up to

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the next location, I think it's Fort Apache. I don't think that -- I'm not sure that that's signalized or not, but it has lighting at the intersection.

So the green area is there where the fatality occurred. Next slide. Oh. Now, what we looked at in those areas was the option of do we put in a pedestrian flasher. When you have such high speeds there, we didn't -- I preferred having a traffic signal because that would stop traffic for the pedestrians. There are several lanes to cross. If you go back to the slide that showed the street -- kind of the street view. Go back -- there. So you can see that it -- as you get to the intersection there's a lot of lanes to cross and it's high speed. So I felt that the traffic signal is going to be the best solution at that location. That's what the community wants and we feel if traffic is stopped then it's safer for the pedestrians.

The thing that we noticed at Buffalo and Durango, the two existing signal systems is that they're -- they don't have pedestrian-activated signals. There's no crosswalks painted in the intersections either. So it wasn't anticipated at the time that there would be a lot of pedestrian activity there. Now that as they've developed some of the commercial property and more residential that -- a lot more folks are crossing at that -- those existing signalized intersection, as well as at Cimarron.

So what we're going to be doing, Governor, Board members, is to look at what federal funds are available. We know that we were all established with our federal program this current fiscal year, and you approved the stip document around November of last year. The -- but as we save on some projects or maybe can move some things around, we're hopeful that we can get about \$1 million of federal -- a combination of federal and state funds to make some improvements, specifically the traffic signal system at Cimarron and the crosswalks and pedestrian pushbuttons at Durango and at Buffalo.

The -- we just recently had the scoping which basically is the project construction estimate was received last week, so we're acting as quickly as we can. This meeting that we held with the community was in December. We've got the scoping and we just have to continue with the identification of the funding and then get that into our work program. But we feel that it's best to proceed with the traffic signal improvements. The other thing that we're going to be doing is what's called a road safety audit. It's a multidisciplinary approach where you get the maintenance guys, law

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enforcement, the engineers to drive along this corridor. We're going to do that from -- I believe it's from near I-15 all the way out to the Red Rock cutoff, State Route 159, so that's of substantial length. There could be a lot more improvements to follow based on the recommendations from that safety audit.

It was brought up about the speed limit during the community meeting and Nevada High Patrol -- the commander there and one of her troopers said that it's really not the issue of speed. It's people -- where we see a lot of accidents on this route -- on Blue Diamond is people kind of cheating at the -- at the stop signs on the cross streets; that they don't stop. They just kind of get out there and try to beat traffic and they get rear-ended, or people obviously making left turns when they should wait for traffic to clear.

So we believe that the, in conclusion, the installation of the signal and the other improvements for the crosswalks and ped pushbuttons at the other two signalized locations, Durango and Buffalo, will improve safety along Blue Diamond.

Sandoval: Thank you, Rudy. And it sounds a little vague. Are we going to get it done? I mean I guess let's just get to the nut of this.

Malfabon: I think that we will find the money, Governor, and we're going to fund the project. I wanted to talk with Clark County to see if they had any money available, but I believe that we can find between federal and state funds. It was looking positive -- on Friday, I was exchanging some e-mails with financial management. And, obviously, you'd like a confirmation. I would say that we're committed to doing this project. It's just identification of the funding, which I think that we can find in the next week.

Sandoval: And when would we commence construction?

Malfabon: We would have to start design. It would probably take us a few months to design the project. With this type of signal system they normally require -- a contractor requires about 120 days to acquire the steel poles, because they have to be fabricated specifically for this location. They're specialized. So I think that we're looking at probably a couple months for design and then a couple months for the procurement process, and then you have to have about four months for the ordering of the poles. So it's going to be towards the fall

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before they would see construction commence. And that's the earliest that we believe.

Sandoval: And do you have an estimate of what the budget would be for those projects? So we're talking about --

Malfabon: Yes.

Sandoval: -- the signal, putting in crosswalks and then the pedestrian buttons for those other two intersections.

Malfabon: The signals are approximately about three-quarters of a million dollars, \$750,000 about. The crosswalks at each location they're thinking about \$100,000-150,000 project at each of those locations.

Sandoval: Do we need to wait -- do you need a study and all those things to put in the crosswalks?

Malfabon: No. We feel that there's -- typically, we would do pedestrian counts, but we feel that we -- there's enough to see there with the commercial properties that have gone up on some of the street corners, the schools that are kind of up further on the side streets there. So we feel that there's enough just looking at the type of developments that's occurred that it justifies it. Normally, we would go out there and do a lot of counts. The -- definitely the -- I don't think that we have counted pedestrian activity at those two other locations, but we can see that what's happening at Cimarron is likely happening at the other two intersections. There's just improvements needed right now. And I think that that's an easy one that we can advance a lot sooner than the traffic signal. We could separate those projects separately and probably get that done a lot quicker.

Sandoval: Because I understand the piece about study and procurement with regard to the signals, even though I want that -- or I'd like to see that expedited. But with regard to installation of the crosswalks, you think we could get that done right away?

Malfabon: Yes. We could get that design expedited and get that contracted out a lot sooner and probably achieve that by end of summer.

Sandoval: Okay. Questions from other Board members? Member Skancke.

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Skancke: Thank you, Governor. Mr. Malfabon, how many miles are between Buffalo and Cimarron and Durango? Are those --

Malfabon: There's about miles -- one mile apart for each of those major streets.

Skancke: You know, as our economy continues to recover in Southern Nevada, that part of the valley is really going to start growing again and start building out in that -- in the west part -- southwest part of Las Vegas. It would appear to me that we might want to, at this juncture, look even beyond Durango and actually, maybe -- I'm not going to plan and draw. I'm not an engineer, so I'm not going to do any of that from the DIAS, but I think as that part of the valley continues to grow, we're going to have to work with the RTC in Clark County and start looking out 10 years. This problem is, only in my opinion, going to continue as growth continues. And I think we should maybe be proactive and looking at what's going to happen as opposed to reactive, so that we don't have to put all these policies before the people in that neighborhood.

As I look at some of these slides, you know, there's no sidewalks. And by nature, people just don't use them if they're not there, but they will run across the street. And I think we should probably take a look at, from a regional perspective, not just state, but regional perspective of how we're going to direct people to those crosswalks, because there's no -- there's no rail, there's no fencing, there's no nothing along the 160 and that presents a problem. We've seen that along the 95. We've seen that in other parts of the valley and across the state. So it might be worth our while, and I'm happy to help any way that I can, but to bring the necessary parties together to have a long-term systemic conversation to some of these problems that are going to exist in the future.

Malfabon: We actually -- that's a great comment and we actually are putting together what's called a transition plan for Americans with Disabilities Act compliance, and it will address some of those routes where there's missing sidewalks, missing wheelchair ramps. But typically, as I mentioned with the street lighting, sidewalks, curb and gutter -- those are usually when development occurs. But I think that it's wise to look at areas where there's pedestrians. And we're aware of other locations such as North Las Vegas Boulevard where there's no sidewalks, but a lot of pedestrian activity, a lot of transient moves up and down that location.

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So we want to be -- definitely be proactive but we do want to work in partnership with the RTC of Southern Nevada, Clark County or the appropriate city to identify and help construct some of those areas.

In the case where a developer normally pays, I wanted to discuss with the county about the options of can we, basically, advance and construct it and then the county could recoup the expense later from -- as development occurs to get ahead of it, as you had mentioned.

Skanche: Governor, if I could just have one quick follow-up.

Sandoval: Yes.

Skanche: You know, the public doesn't understand, and I'm not certain how we do this best, but, you know, when there's a catastrophic event like that and you have to go out and do a study, which is required by federal law, when a family has a loss like that they just -- the public just doesn't understand that these are policies that have been in place for years. So a warrant study is required for just about everything a department does and it's mandated by federal government through all the legislation that's been passed.

So while we'd like to have these things done quicker, it's important, I think, for all of us to understand that there -- the process does slow this down. You would think you could just go out there and put a light up overnight and solve the problem. It's not possible under law. So that's why I'm suggesting that we maybe look further down the road, if you will, and be a little more proactive for what's coming.

Malfabon: Yes, as part of the road safety audit we are going to look at the signal warrants for further unsignalized intersections towards the west, so El Capitan and further west. But that's a great point. I -- the reason that we have to be -- to do that warrant analysis is because of liability concerns. If you put in a signal and it's not warranted and it causes accidents like rear-enders then you could get sued as an entity and be liable for those expenses.

Sandoval: Any other questions with regard to this Agenda item? And, Rudy, if you would put that as part of your report next month --

Malfabon: Yes.

Sandoval: -- for our next meeting so we can have an idea of how it's proceeding.

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Malfabon: Yes, Governor.

Sandoval: Member Fransway.

Fransway: Thank you, Governor. Rudy, would this require amendment to the STIP?

Malfabon: If it's federal funding, it would acquire -- require us to go to the RTC of Southern Nevada to include and amend their plan and then you would -- basically, just as -- later on the Agenda you'll see an amendment similar to add a project in or to -- it will require the process to be done, but we can still proceed with the design. I've talked with Federal Highway Administration about what improvements we can make at this unsignalized intersection, and they're very supportive considering the fatality that occurred and the fact that it meets signal warrants. They're supportive of the project.

Fransway: Okay. If that is the case, then we could do what we could to expedite the process, the action taken by this Board to amend the STIP --

Malfabon: Yes.

Fransway: -- if it comes that way.

Malfabon: Yes, it'll come -- it'll come before the Board later.

Fransway: Thank you.

Martin: Governor?

Sandoval: Yes, Member Martin.

Martin: Good morning. I have some ideas that I've been discussing with Rick Nelson on how to expedite this thing, and I offered to help him in any way that we can down here by using some of the procurement processes we use in the private industry.

Sandoval: Thank you. And obviously will be welcome, anything we can do to expedite this matter and certain that you'll continue those conversations with Mr. Nelson and with the Director.

Martin: Absolutely.

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Sandoval: Thank you. All right. Any further questions or comments with regard to Agenda Item 15-A? Okay. We'll move to 15-B, overview of the US 50 road safety audit results.

Greco: Governor, good morning. For the record, Tom Greco, Assistant Director of Planning. And this overview of a road safety audit on, excuse me, US 50 is the outcome of a critical rise in the number of fatalities that happened on this roadway between last spring and -- actually in 2013, all of 2013. It initiated an RSA and it initiated a united effort -- next please -- by law enforcement.

The area in study begins on US 50 on this map in the bottom left, where the Carson Bypass intersects with 50. Moving to the north and east four miles is the end of -- is the crossing of Carson City and Lyon County. The remaining 14 miles of the study is in Lyon, and it goes through Dayton out to Silver Springs. Next please.

As a response to the numbers and issues that are on this roadway that are safety related; in August, there was a joint safety initiative with members that are listed on the left there. I'm sure that's not all. There are others that may not be listed there. And the efforts included, looking at the bottom right, additional enforcement out on the roadway, public meetings and outreach, additional DUI efforts and this RSA. Next please.

And in our RSA, a road safety audit, is a multi-disciplined effort with NDOT maintenance and NDOT design staff, NDOT safety staff, highway patrol, Public Works and anybody else interested in that segment of roadway with knowledge and expertise. This roadway on the western end is in an urbanized setting, and as it moves through Dayton and Stagecoach and Silver Springs it is much more rural and the speed limits vary between 35 on the eastern end -- no, excuse me, on the western end, 65 out on the eastern end. The volumes vary. Crash rates during the 2013 are above average, total crashes though. Fatal injury and property damage only are below the average for a roadway of this classification.

We looked at data between 2008 and through the end of 2012. Actually that's misstated, mid 2013, and the 20 fatalities are very concerning. Now, we also looked at the crash data between July and September of 2013, which is when the additional efforts were out on the roadway. There were zero fatalities versus July to September of 2012; there were four fatalities. So it would

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indicate that the efforts of additional enforcement education, DUI checkpoints are all a positive step. We're looking for the long-term answers, not just immediate band-aids, so the RSA will make recommendations that will mitigate the problems out there on a longer schedule. Next please.

So of the 65 recommendations that are within this RSA, I'd like to mention just a few of them. Raised medians at intersections reduce conflicts. When there are no restrictions, a lot of left-in, left-out movements will occur, and those conflicts generate a lot of crashes. So we're looking at a treatment much like this one, a raised center median at a number of the intersections within the study.

There are places that -- within this study there are placement of median barrier rail. There are additional places that would benefit by this, one of them being between Deer Run Road and Dump Road east of us. And we want to be more consistent with the installation of rumble strips both on the center line and on the edge lines. Next please.

Other mitigation measures will be median cable barrier, sidewalks, corridor lighting, additional intersection improvements, possible roundabouts, improving the bike lanes, getting the installations to match our existing bike plan. So the results of the RSA recommended mitigation in three groups; a priority 1-A, which may be -- may be done by our staff, our maintenance staff and may be done immediately. Our district maintenance staff began. We're working on these 21 items and will finish them up hopefully by spring. The 1-B group is an item that Carson staff may be interested in working on. And then the priority 2 group, a bunch of those. There is a contract going out this spring to do an \$8 million overlay on 50. We have included a large number of these mitigation measures to the worth of about \$1 million. That still leaves a number of measures that will need additional funding and additional planning further out. Next please.

So the zero tolerance campaign began in August of last year. It'll run through February of this year. We believe that it's a very successful approach to not just jump out with engineering efforts, but to look at all of these E's. Within the safety world it is known as the four E's. We have added the bottom one meaning everyone. Everyone is responsible to drive in a legal, respectable manner and with the goal of driving home at the end

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of the day safely. So that responsibility is everyone's. And with that summary, I'd open it to questions.

Sandoval: Thank you, Mr. Greco, and I appreciate this very thorough, excuse me -- did -- we just widened this road, didn't we, and did that help?

Greco: We did. There was a project last summer that widened the road from east of Dayton out towards Stagecoach. It adds additional capacity. It makes it easier to get between A and B. Sometimes the transition between an area that used to be rural and is moving more in the direction of urban or many spaces that are urban presents a challenge of trying to get traffic through at the least amount of restriction, but in a safer way.

So one of the recommendations of the RSA is to reevaluate the speed zones. We just got a study UNR or UNLV, I don't remember which, on treatment of speed reductions in rural areas with a slice of urban within the middle. We will be using that as a guideline of how to deal with the speed limits within this segment.

Sandoval: Thank you. Any other questions?

Malfabon: And, Governor, I wanted to add that the future widening projects are still planned on that section of US 50 to get out to the junction with, I think it's 95A --

Greco: Yes.

Malfabon: -- past Silver Springs. So there'll be, I think, two more stages to complete that widening project.

Sandoval: Member Fransway.

Fransway: Thank you, Governor. Tom, there are portions of that section of roadway that are designated, I guess you'd say, as daylight headlights use. And I'm wondering if that is an effort to mitigate the accident issue? And if it's not been designated as a safety corridor, perhaps we should do that in the form of some sort of signing or so that the traveling public understands that section of roadway has got challenges.

Greco: Member Fransway, it is a longstanding safety study zone, and the issue of requesting motorists to drive with their lights on is an effort to compare long

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stretches of rural road where drunk drivers do use their lights versus other stretches where they don't. And it appears to be a benefit.

Fransway: Thank you, Governor.

Sandoval: Madam Controller.

Wallin: Thank you, Governor. Tom, I have a question here. On your report, you talk about the -- I'm trying to go get my hands around the data here. And we talked about the traffic counts in 2003 being Carson City limits 24,000. Carson Lyon was 22,000. Dayton was 18,000. And then in 2007, it jumped up to -- Carson City was 32,000; Carson Lyon, 28,000; Dayton, 22,000. And then in 2012, it dropped back down to basically the same as it was in 2003. But our data here, we just talk about from 2008 for fatalities. So I was wondering in 2003, did we have the same types of fatalities? In 2007, did we jump up? I'm trying to get my hands around this to figure out is it because of -- what's changed? What's different? Do you have that information?

Greco: We don't. We are analyzing that and we will get you that answer. Obviously, with the economic downturn, volumes do tend to drop. And even though the volumes that are out there in 2012 pretty much equal what was in '03, those volumes will grow and we'll get that back to the volumes that were in '07. And if I understand what you're asking is what was the situation in '03 and what was the crash rate? What was it in '07 and what is it that's different in each of those?

Wallin: Yeah, because I'm curious because the traffic counts were so much higher in '07, but we don't have the fatalities. And it would have been nice to kind of see --

Greco: Yes.

Wallin: -- were we way high back then or are we lower? And is -- maybe then it's a result more like you're talking about, maybe enforcement and not engineering.

Greco: Sure. We will get you those answers. That's not a one-minute yes or no. Okay.

Wallin: All right. Thank you. Thank you very much.

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- Sandoval: Any further questions? All right. Thank you, Mr. Greco.
- Greco: Thank you.
- Malfabon: And, Governor, I just wanted to close that item by saying that that project, US 50 from Deer Run Road is advertised at the end of this month, and it will make some of the improvements that Mr. Greco had mentioned such as the channelization islands at State Route 341, the road to Virginia City, and the additional barrier rail in the median.
- Sandoval: Because the Controller's question is a good one, is that we have more fatalities now than we did back then when the road was two lanes and there was the same amount of traffic. So I'm hopeful that -- is that right?
- Wallin: Yes, and the fact that we don't know what 2007 was when we had a significant amount of traffic. We don't have those statistics there and it would be nice to see if our fatalities were less, well then to me it's not a matter of the road, it's a matter of the enforcement. And drivers are just getting careless and not obeying the law.
- Sandoval: Okay. Thank you very much. Okay. We'll move back to Agenda Item No. 4, Public Comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Is there any member of the public in Las Vegas that would like to provide public comment to the Board?
- Unidentified: No one here, Governor.
- Sandoval: Thank you. We'll move to Agenda Item No. 6, Presentation Regarding the Interlocal Agreement with University of Nevada Las Vegas for the NDOT's Implementation of Oracle Business Intelligence.
- Malfabon: Thank you, Governor. Steve Merrill will present this item.
- Merrill: Thank you, Governor and Board members. For the record, my name is Steve Merrill. I'm the chief location engineer for Nevada DOT. Today, I'm just going to quickly go over our business intelligence project and hopefully be able to answer any questions that you might have with that. Next slide please.

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The things that I'm going to be going over really quickly is the strategic data plan and the next item is going to be the business intelligence goals and objectives. The next item would be the implementation partnership with UNLV and the selection process that we went through to select UNLV, cost comparison versus the outside vendors and lastly the business intelligence funding. Next slide please.

The strategic data plan was originally developed to -- and we created these goals, and so it's the higher overarching plan that the Department came up with. Basically, what the plan is to do is be able to provide the information to the Board and to the internal users for when they need disparate information and we'll be able to provide that information to them. But out of that plan there were several different initiatives that were created, and the one that we're mostly interested in today is the business intelligence. Next slide please.

And so with the BI, our current environment that has created the need for us to go down this path was the silo data, the poor integration with the GIS and CAD data and the multiple reporting tools that we currently have at the Department and those standards. And so for the goals for the BI project itself was to migrate the existing BI tools, Discover reports, to the current BI platform. Better -- there was better integration within NDOT's GIS data, implement enterprise data warehouse to create a single source of the truth. So what we're going to try and do is bring all this data in and so there's one place to get the data.

Sandoval: Okay. Mr. Merrill, this is kind of like NDOT language and --

Merrill: Okay. Yeah, if -- yeah, if you guys have -- with GIS it's a global positioning system is GPS. GIS is geographical information system. Those are the systems that we use to put information on a map, live feed-type maps for things that we need to know. Business intelligence, it's a way of taking data from different data warehouses, we can bring it together and be able to do reports -- any type of reporting system. So that's really what business intelligence is about. Dave, do you want to add anything to that? Dave is our IT chief, and if you have any more specific IT questions, Dave would be happy to --

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Sandoval: No. And once you get done with the presentation, I'll ask some more questions. But as you go through, as I said, it's kind of like your --

Merrill: Talking a foreign language.

Sandoval: -- secret language and --

Merrill: Okay. I apologize for that.

Sandoval: And so I -- I'm trying to think of a way to put this delicately, but to kind of give it to a general public understanding so that we can have a better --

Merrill: Understanding.

Sandoval: -- understanding where you were, why you've done this and where you'd like to get.

Merrill: Okay. Well, yeah, I guess the good part or a great place to start here, Governor, then is silo data. This is data that's out into these different data warehouses and they don't talk to each other. And so it's a problem when you're trying to bring data together that's in this type of format. And so that's one of the problems that we're going to have to get through. (Inaudible) with the GIS and CAD. CAD is our -- like the auto CAD it's our drafting type system. So how do we get that data into a GIS system and bring it up into a map or into a CAD integration-type of system for our designers to have the information at their fingertips. And so this is another good tool that will allow us to do that.

The poor reporting tools and standards, I think you guys all have seen it where it's very difficult sometimes for the DOT to pull together all this disparate data and produce a report for you quickly that's accurate. And so that's one of the great points of a business intelligence. Once it's all tied together, we can quickly do that for you. And so when you look at the goals, I think I've pretty much hit on all those with the better integration-type tools, what this was all about.

The implementation partnership, the selection process, well we started in February of 2013 went out with an RFI for request for the different vendors. In May of 2013, the vendors actually gave us the presentations, and since UNLV has already been our partner on several different endeavors here they wanted to give a presentation. And so in June, they gave us a presentation.

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And one of the things that we quickly realized about UNLV, UNLV understood the business of the DOT. They understood our needs and so they gave u really solid presentation to the team.

The decision was made in August to go with UNLV on the implementation. And, again -- okay. With the implementation partnership, again, they had the experience with the data here at the DOT, UNLV did, the money would stay in the state rather than going to a vendor -- to an outside vendor that wouldn't have been, more than likely, in the state since we don't have those types of vendors here in Nevada; helps build a business intelligence knowledge base. And so what we're trying to do is develop, out of UNLV, the type of people that can go to work for us or even stay in the state and have this high-tech type of knowledge and potentially, you know, create their own businesses in the future. Focus on delivering quality project rather than for profit. That's a big issue when you're getting into new type of IT-type of projects. This way we can be a lot more flexible with UNLV rather than the vendor. It's easy to say, well, how about if we change the scope to this. UNLV can do it; when you're dealing with another vendor it's usually not as easy to change that scope.

And so, next slide please, the implementation of it -- a little bit of a cost comparison to the other vendors. The initial cost that Oracle had given us to implement the business intelligent here at the DOT was roughly \$6 million (inaudible) \$8 million. From the other RFIs, the other three best responses that we had was one that was at 5.98, 5.55 and the 4.59. UNLV's cost was at 4.75 and approximately 31% of that is going to go to a subconsultant, ADV. And that subconsultant would be focusing in on helping UNLV understand the technology and also doing QA/QC on their process.

And finally the funding. Thank you. And so here's the four-year projection of the funding, which is a \$4,749,000 contract with UNLV. The -- right now, the match that we have -- the funding 66% state match and 34% federal reimbursement through our SPR program. However, it qualifies up to 80% of funding through the SPR program. And with that, do you have any questions?

Sandoval:

I do. And thank you, Mr. Merrill. And I don't know if this is for you or for the Director, but has this hit our Agenda before?

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- Malfabon: I think the -- I'm not sure if the purchase of the Oracle software was on the Agenda previously.
- Merrill: I don't remember, Rudy, if it was or not.
- Sandoval: I'm just curious why we're getting this now.
- Malfabon: But I ask that we -- I ask that we bring it now because it was a substantial amount of money for this -- for this effort, and I wanted to bring it to the Board's attention. The other thing is in the future we feel that these types of agreements should go before the Board for your approval before we enter into them. And it was something that was ongoing, but I felt it was prudent to bring it to the Board's attention (inaudible).
- Sandoval: No. I guess my question would be why wasn't it on our Agenda before?
- Malfabon: It was -- I think that -- when I asked the question it was because it was seen as an interlocal agreement, which are the types of agreements between us and another public entity. And under that schedule that the Board previously approved interlocal agreements didn't come before the Board. It was to acknowledge that the Director could enter into those types of contracts. When I saw the -- that this type of agreement was considered interlocal, I told staff that we should not consider these to be interlocals; that these should be service agreements to go to the Board for approval (inaudible) --
- Sandoval: Because it didn't become interlocal until UNLV was chosen.
- Malfabon: Right.
- Sandoval: The other two bidders weren't interlocal --
- Malfabon: Exactly.
- Sandoval: -- entities.
- Malfabon: So it was an RFP. Just because the university was the selected recipient of this contract doesn't mean that it's interlocal. So that's what I noticed and that's why I brought it to the Board's attention this month.
- Sandoval: No. And I appreciate your bringing it to the Board's attention, but given that this is a \$4-plus million -- \$4.75 million -- four and three-quarter million

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dollar project, I think it would have been important for the Board to be aware of it from the beginning because, again and respectfully, I'm still not quite sure what this contract is doing and what we're getting for our money.

Malfabon:

Basically, this -- NDOT collects a lot of data. This contract -- and that data goes into this Oracle database. What UNLV is going to be doing is to set up the -- basically the program that makes that data accessible to folks that -- in divisions of NDOT, need to access that data and then make it useful to them to either issue reports, make dashboards on performance or dashboards on what that data is telling us so that we can act on that data.

So one contract was the software to have the database, but this contract is really to what do you do with that data; how do you make it useful to us as an agency. And that's what UNLV is going to be doing for us is providing that service so that we can access the data uniformly across the Department no matter where it's kept and to have a better management of the data and use of the data. That's what UNLV will be doing.

So as far as specifics, I know that this Oracle system is basically the backbone of all the data collection at the Department. So it'll be useful for planning efforts, for some of our performance reporting efforts. You'll get a performance management report later in the Agenda. But basically a lot of these reports on how we use data is based on this system, and also to integrate it together so that we're not doing duplication of -- or reduce duplication of effort. In reporting of data, you know, some people would collect it a certain way and we found that there's a lot of room for improvement and standardization of data collection.

So UNLV will definitely give us a good product. But recognizing that this item really should have been brought to the Board previously is what I recognized and that's why I asked to have a report on this expenditure. And then in the future we would bring these types of contracts to the Board for your approval.

Sandoval:

Because when I -- when I look at the Agenda, and I'm not going to speak for the other members, and it says approval of agreements over \$300,000, I would assume that means all agreements. And if something of this significance is coming through that fortunately you plotted, how many others are out there that are big dollar items that this Board isn't seen.

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- Malfabon: Governor, these are -- to me, any kind of service contracts even if it's with the university will be coming to the Board for your approval. The ones that I would request that we continue to be under the Director's purview for approval would be the research agreements. It's a pretty standard process for the research program using federal funds. Those (inaudible)-
- Sandoval: Yeah, but this is \$3 million of state money.
- Malfabon: Yes.
- Sandoval: And even if it -- we might get reimbursed for some of it, I kind of -- I don't kind of, I think this Board needs to know.
- Malfabon: We agree. It was, as I said, considered to be an interlocal and I think that that was the wrong description or kind of the wrong attribution of the type of contract that it was.
- Sandoval: So this is a done deal. What will we be able to say a year from now that -- what we got for our \$4.75 million?
- Malfabon: I'm sure Mr. Merrill will come back to show you what (inaudible).
- Merrill: Actually, there is a list. I don't have it with me right now, Governor, of all the different databases. How many was it, Dave? At first, I think there was seven of them that are going to be tied and from that there's going to be able to have reporting tools on those. Do you know the seven specific, Dave? Okay.
- Sandoval: Because I, you know, I think about Agenda Item 15-A, and you're trying to scurry around to find \$1 million to build a signal and three -- or over \$3 million -- or \$4.75 million just got spent on this. And when we're looking at priorities, I would have prioritized the signal given that it met the traffic study requirement, so we would have that money right away to commence versus a study like this. Anyway, let me -- Member Skancke and then Madam Controller.
- Skancke: I defer to the Controller.
- Wallin: Thank you, Tom. A couple items here. I'm kind of more familiar with what's going on here because in the Controller's office we also use Discover that they talked about, and that's a software that's provided by Oracle that

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allows us to query our databases, right. Oracle is not supporting that software anymore. In fact, the Controller's office -- we're in the process of buying the same business intelligent software we're putting in our budget for next time so we can query our data, because otherwise we won't have access to the data to be able to get our reports. And so I can see where they need to do that.

I know that NDOT, when they got their business intelligent software, which -- and, Rudy, you can tell me, because I don't recall seeing it on our Agenda when we bought it, and I know it's over \$1 million because that's what we're looking at; that the way NDOT treated this was it was an upgrade of Discover, which is true because it's an upgrade of Discover because it's not supported anymore. So I would like to know when you guys went and bought the Discover software or the new Oracle business intelligence.

Malfabon: I don't know if Steve or Dave has the response to that. I think it was in '12 or --

Merrill: I'm thinking it was in the fall of -- do you have the date?

Wooldridge: It was -- actually it was May of 2012.

Merrill: Could you identify yourself, Dave?

Wooldridge: Yes. This is David Wooldridge, Chief IT Manager. It was the Friday before I started here, so that's why I know the date.

Merrill: You're safe.

Sandoval: Just had to throw that in, right?

Wooldridge: And as far as I know it was, like you said Madam Controller, just an upgrade of our existing software.

Wallin: Right. But we still -- that should have been something that came to the Board. And then the other agreements, Governor, that you're talking about; if it would be possible under old business next time, let us see what the other interlocal agreements have been in the last couple years that we haven't seen before.

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- Malfabon: Yes, we could bring that forward. But, typically, as I had mentioned initially, the interlocals are project agreements with cities, counties, RTCs in general to -- for them to receive the funding either state or federal funds we enter into the interlocal agreements. The other types of agreements are research agreements with the universities, typically, under the research program.
- Wallin: Yeah, I think it would be good if we could see that as well. And then my question here, your breakdown here for the funding here for the four years, is it a four-year contract that we're entering into or do we have an opt out after one year if, say, UNLV is not able to do the job and we're not getting what, you know, do we have timelines --
- Merrill: We can opt --
- Wallin: -- and progress reports to make --
- Merrill: Yes.
- Wallin: -- sure we're not just throwing \$4 million out there.
- Merrill: No, there's a full scope of work that's in the agreement and we can get out at any time.
- Wooldridge: In 60 -- we have a 60-day clause to get out.
- Wallin: 60-day clause. Okay. All right. That's it for me. Thank you.
- Sandoval: Member Skancke.
- Skancke: Thank you, Governor. So if we could put this at about a third-grade level for me. I'm from South Dakota, east of the river so I have to go slow. What data can't you guys collect or what can't you access? Is it that silo that -- is it -- is it a statewide thing? I'm trying to get my hands around kind of the purpose of what you can and can't do. So can you --
- Malfabon: There's a --
- Skancke: -- put that easy for me?
- Malfabon: Member Skancke, there is several divisions of the Department that collect data. For instance, Materials Division might collect data on the condition of

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the roadway bridge -- about the bridge conditions and others are looking at traffic numbers as Mr. Greco had covered in his presentation. So there's various divisions that access -- or collect data and then put it into their own format; Excel spreadsheets or a database. And what we found was it's very siloed. As Mr. Merrill was saying, it's not accessible, say, if one division collects it, another division might not even know that the data is there. They might go out there and duplicate effort or store the data in a different format.

For instance, even something as simple as designating the highway, Interstate 80, you could say I dash 8-0, someone will put IR, interstate route 80. Some will have -- and when you -- when you collect the data differently, something as simple as the state highway name or number is collected differently. So we had to get some standardization there and eliminate -- break down the siloes so that everybody would have access to data, everybody could know what data is being collected.

Skancke: If I may, Governor. So if we do this right and it's implemented properly, we actually might be getting a cross agency cooperation of data and ultimately it could save us some money in the long run by not having all of these duplicative reports and departments not being able to share data in the currently environment.

Malfabon: Yes, and even within our own agency it's going to eliminate a lot of duplication of effort.

Skancke: So in the long run that could actually be saving the Department and the state money by not having to have all of these cross communications and other departments and even within your department trying to figure out what in the world is going on and where the data is.

Malfabon: Yes.

Skancke: Sounds good.

Sandoval: Okay. And I guess -- Member Savage.

Savage: Thank you, Governor. And I voice the same concerns as the other members of the Board, Steve. And I think it would be very helpful that we have more documentation within our packets for support as to some of these decisions. For instance --

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Merrill: Benefit cost (inaudible).

Savage: -- benefit cost, where the money is going at UNLV. I understand it's 31% to an outside vendor. I appreciate you exposing that, because one of my concerns is always the universities being a front to other entities rather than the education of our state. So it's good to hear that it's going to UNLV, but where does it go from there and how is it used, because the dollars that we have to -- this concern, I call it the black box data world. We have our priorities to put safe roads in, build safe roads, understanding that the pocketbook is only so deep. And we all understand that and we have to reinforce the fact that we have to remember the construction of the roads, the safety of the roads. And I realize data has to benefit the big picture, but we have to remain focused, I believe, on where we need to go as a department.

So I would appreciate any further substantiation and follow up moving forward. I appreciate your time. Thank you, Governor.

Sandoval: And I -- just a couple of follow-ups on that. Do we know what the administrative costs that the university is going to be using on this contract?

Merrill: I do not, Governor.

Sandoval: Okay. Because that's an issue that's come up with Board of Examiners.

Wooldridge: Governor, we have Dr. Paz from the university on the phone. He may be able to answer that question.

Paz: Hello everybody. Can you hear me well? I am calling from Washington, D.C.

Wooldridge: Yes, we can hear you.

Paz: Hello?

Sandoval: Yes, we can hear you loud and clear.

Paz: Great. The university overhead cost is 23% (inaudible) for all the projects that we have with the DOT.

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- Sandoval: All right, 23%. Well -- and again, this is a done deal and we've talked about that already, but I would like to see a copy of that contract and see how the money is going to be expended. And then also why does it take four years?
- Wooldridge: Governor, there's a lot of different data systems and in there -- they are different states of maturity; I guess would be the right way to put it. So we have some data that's very good data, very mature data. Pavement data, for example, is good data. We have other data that's really like Director Malfabon said is on spreadsheets and things like that, so there's going to be -- it's going to take us some time here at the DOT to get that data moved into an Oracle database where we can query it and use this tool against it.
- Sandoval: I just don't want to be here in 2017 and have the conclusion be you need a new data system.
- Wooldridge: Me neither.
- Sandoval: Member Savage.
- Savage: One last question. The professor just threw out the percentage of 23% for UNLV, and you said --
- Paz: That's correct.
- Savage: -- 31% vendor. So where's the --
- Paz: UNLV --
- Malfabon: That's the overhead cost.
- Savage: Oh, that's the overhead. The 23% is UNLV overhead.
- Paz: That's correct.
- Savage: Okay. Thank you, Governor.
- Sandoval: No. And as I said, it's done. I know that we've had various administrative costs on contracts between the state and the university, some of which has been as high as 40 plus percent, maybe more; some of which have been less than 10%. And that's why I'm curious where the 23% comes from. So that's why I'd like to see the contract.

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- Malfabon: You could address that, but I was wondering if that overhead rate is similar to what we do with service providers when we're paying overhead. Is that just included in there or is it audited?
- Paz: The overhead price that we use in here is the same overhead rate that we use for any type of project with the -- with the DOT. And typically overhead rate, for example, with the NSF, with the National Science Foundation, is 46%. And my understanding is that the overhead rate with other vendors is more than 80% in most of these types of consulting work.
- Sandoval: Well, again -- and thank you for that information. But I would like to see a copy of the contract later on and then as we move forward, because this is, again, I'm ultrasensitive to this because we've been seeing this at the Board of Examiners level as well and we're trying to get underneath that with regard to administrative cost, because we want as many dollars going to the actual project as we possibly can versus to administrative fees. So it'd be very helpful to have that contract and we also have the understanding moving forward that this Board will have an opportunity to review these types of contracts before they're entered into.
- Malfabon: Governor, we'll present that contract as a -- under the old business item next month.
- Sandoval: Okay. Because we, you know, you look at this, \$1 million of this is going to administrative fees. Member Fransway.
- Fransway: Governor, thank you, and I share your concerns as concerns of the Board in general. I'm wondering if we need to do anything in regard to policy to make sure that interlocal agreements are not exempt from Board approval.
- Sandoval: Well, I think that's the conversation that we just had; that these types of contracts will hit -- will come to the Board for its review.
- Malfabon: Interlocals -- well, these would not -- in the future, these would be identified as service contracts that would come for Board approval. They wouldn't be identified -- or a university is providing a service to the Department, not the research or the interlocals related to a city or a county or RTC. But these types of agreements are a service contract that should be identified as such and brought to the Board for your approval.

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Sandoval: But I think the Controller previously asked that we get a list for the past two years. So, Member Fransway, before we make a policy decision like that I think I'd like to see what the contracts are that we haven't seen and then we can make a policy decision after that. Yeah. All right. Do we have any further questions with regard to Agenda Item No. 6? All right. Thank you very much.

Malfabon: Thank you.

Sandoval: Move to Agenda Item No. 7, Report on the Status of Project NEON.

Malfabon: Governor, Project Manager Cole Mortensen will present this item.

Mortensen: Good morning, Governor, members of the Board. For the record, I'm Cole Mortensen, Project Manager for Project NEON. We've got a number of Agenda items that are related to Project NEON today, and so what I'd like to do is just step through project update and then discuss what those future Agenda items are and how they'll help us move forward with the project.

So in going through the presentation today, we'll do a project status update, we'll talk about some of the changes to the project over the past year, we'll discuss a little bit more on the phase 2 portion of the project with the City of Las Vegas. I'll be providing a right-of-way update and then we'll be discussing the consult and the advisor agreements for the project.

It's a little early to be doing a victory dance, but we have done a lot over the last year that's been quite the effort for the team. And to start things off I'd actually like to take a moment to thank the team, both the consultant advisors and the NDOT staff that have really put a lot of time and effort into achieving these milestones. We've released the RFQ and, of course, received and evaluated the state (inaudible) qualification from the proposers. We've shortlisted those proposers. We've completed the base design for the project. We've -- we're working on an agreement with the City of Las Vegas. It was approved last week and then we're working feverishly to keep moving forward on the right-of-way acquisition. As we've mentioned before, the right-of-way is a key step in the process in order to get this project moving forward we have to have occupancy and ownership of those properties before we can get a shovel in the ground.

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The last key milestone that I would like to point out is that we got the draft RFP developed and it's currently out to industry for review. Sorry about that. As part of that review, we'd also like to offer the Transportation Board an opportunity to be reviewing those documents as well. If you haven't received it yet, today you should be getting the invitation to the document management software. They also have an app that you can use on your iPads to pull up those documents to review those as well. What we have provided you is the term sheet that we've used as a summary of the public-private agreements so that you can be reviewing that in coordination with the project in moving forward.

The shortlisted proposers that we are currently working with are listed on the slide here. And as we move forward it is important, for us to get industry feedback on the RFP and to make sure that we don't have any stipulations in that contract that might discourage industry participation. We want to keep the three companies interested so that we can get some competitive bids for the project.

Taking a step back, one of the main reasons that we're here today is actually back to the right-of-way acquisition end of things. We're working towards getting the bonding in place and selling those bonds so that we can move forward with acquiring that right-of-way. So we've got a number of big decisions happening here in the near future. Initially, in November of 2012, we had anticipated the right-of-way being the responsibility of the developer. Since then, and you may recall in some of the previous discussions with the Transportation Board, we felt that NDOT was in the best position to acquire that right-of-way, and that if we can bond for that right-of-way and move forward with it we can get that right-of-way secured about a year sooner than what the developer could. And so overall it makes a lot of sense for the project in moving forward.

Over the past year, we started from looking at just phases 1 and 3 for the project with O&M Footprint that would have just been what was constructed by the P3 concessionaire. Since then we've come before you and we've presented a number of things. At this point in time, what we're looking at is actually delivery phases 1, 2, 3 and 4. We've looked at how best we can structure the financial arrangement with the developer, and that's where the construction completion payment came in. And, again, I'd mentioned the

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bonding. We've also taken a real -- a tighter look at the O&M Footprint and what that means to us and what the best way to handle the operations and maintenance is for us in moving forward with the project, how to develop a plan for dealing with the Legacy structures and then we're also recognizing that the changes that we're making with the connection of the HOV systems, the express lane system has prompted us to address some of those changes here in the future also.

Again, kind of taking a step back, a lot of the decisions that we've made over the past year have been with the intent of being able to deliver more of a project sooner. This is going to be lower impact traffic. We're talking about 270,000 cars a day to start with. We can get these safety improvements built sooner, which means that we're going to see fewer accidents out there in that corridor sooner, temporary construction elimination. In delivering phases 1 and 3 alone, we were able to save \$80 to \$100 million and then, of course, reduced projected -- or reduced project construction cost. With a project of this size, each year that goes by we're seeing escalation on that construction. As we recover from the economic slump that we've been in, the project is going to start getting more and more expensive. So the more we can get delivered sooner the better that that's going to be for the state. And then, of course, one of the benefits on the side of all of this is the current job creation, as well as the future job creation with the project moving forward.

So what we have up here right now is just a rendering, just to kind of give a brief look at a short section of the project. As I mentioned earlier, we've gone from just 1 and 3 to including phase 4, which is the ramp braiding of US 95 to Charleston and then on to Sahara. And then in working with the City of Las Vegas, we've agreed to put phase 2 into the P3 project as well. This should offer the contractor and developer actually a larger canvas, hopefully, in that footprint to allow more innovation and we're hoping that that'll help drive down some of those costs.

So previously, in November of 2012, we developed this schedule and we've managed to meet many of the anticipated dates with this project. We have held off on the industry review until we were given approval to move forward with the bonding for the right-of-way. But as part of this we're actually looking forward to stage 2 of the process. And I mentioned earlier,

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what we'd like to do is bring the RFP to the Transportation Board at a later date, but we wanted to allow you an opportunity to review it first. And so this was the original schedule. Taking into account the additional project components and the additional work that we've done to get to where we are right now, we're looking at bring the RFP to the Board around April, with industry release in May.

What that'll do for the future and for 2014 is we anticipate getting technical proposals into the Department in October, with financial proposals being due to the Department in November, and we'll have a selected proposer identified in December of next year. And so in moving forward over the next couple of months, again, part in parcel are the two activities that we're moving forward with as the RFP development as well as the right-of-way acquisition. So that's where we'll be talking about the amendments and the advisor agreements here shortly.

Taking a step back and looking at the phase 2 component of the project, I did mention earlier that the cooperative agreement that we currently have developed with the City of Las Vegas was approved by their city council last week. And really what that's going to do is that's going to enable us to get the completed Martin Luther King Boulevard into the project.

Right-of-way status; we have 79% of the phase 1 right-of-way either acquired or we have occupancy for those properties. In moving forward with the P3 right-of-way, we've had the right-of-way settings for the P3 right-of-way, which basically starts that process. Before the Board, I believe on the next Agenda item will be a resolution of support for the bonding for the right-of-way for Project NEON. The first step of that was to get IFC approval for a change in the work program and we received that earlier last month. And so the next step then will be going -- taking that request before the Board of Finance so that we can sell bonds and move forward with the acquisition of those properties.

As I'd mentioned earlier, the right-of-way acquisition process for us is critical. We anticipate it being about 18 to 24 months from start to finish. You can see we're still very early in the process and this Board approval is the beginning of being able to do that and to be able to move forward. As part of this process as well, there's an agreement later on in the Agenda for a consultant service provider to the right-of-way acquisition process for us,

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along with relocations. And we'll be able to ask -- or answer any questions about that that you may have here coming up.

So the four agreements that we have that are -- that are really directly related to Project NEON on the Agenda here in the future are the right-of-way acquisition agreement, the consultant. We've already gone through the RFP process for that. We decided to bring on another service provider for that work. The selected service provider, I believe, is Overland, Pacific & Cutler. We'd like to move forward with the amendments for stage 2 of the procurement process and the finalization of the RFP for CH2M Hill as the technical advisors, for Nossaman as the legal advisors and for Ernst and Young as the financial advisors for Project NEON.

And so with that, I'm happy to take any questions that you may have.

Sandoval: Questions from Board members? Sounds like you're -- I can't let this go without having a question.

Martin: Okay. I got one.

Sandoval: But you sound cautiously optimistic, Mr. Mortensen, with regard --

Mortensen: Very much so. We've got a lot of work ahead of us. You know, as I'd mentioned earlier, the project team is working very hard. We're looking at getting a cost estimate completed here at the end of the month, which isn't quite our normal engineer's estimate. What we've done is we've actually taken a step aside and done more of what you'd be familiar with as far as the independent cost estimates that we do for CMAR, where we're looking more at the production base. We're really trying to tie down the cost of the project. And so here coming up over the next couple of months we'll be able to come to you with that information as well. But, yeah, we're excited about the project.

Sandoval: Yeah, that cost savings piece is going to be a really important factor for me, and you threw out, I think, the figure of \$100 million worth of savings to take this approach versus another.

Mortensen: Yes, versus the -- when we were looking at originally delivering these projects in separate phases, and that's really where a lot of this benefit is coming from. In order to be able to do that there's a lot of temporary

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construction that has to happen. And just pairing phases 1 and 3 together we did say \$80 to \$100 million in temporary construction. I haven't looked to see what that number would be considering the inclusion of phase 4 into the project as well, but I can certainly look to that and make sure that we have that number available also. You know, the bottom line is the more that we can built now the less expensive it's going to be for the state and the fewer impacts that we have.

Sandoval: Well, and I think that's a component that needs to be magnified, which is, you know, you have those hard costs construction savings, but you also have the time cost for the people that are -- would be stuck in that traffic over and over again because of the different phases. And is there a way to quantify that?

Mortensen: Absolutely. And actually I'm kind of feeling a little silly right now, because in December we went out to a public meeting. We've got a very involved and interested group of both businesses and residents that have been wanting to be kept up to date on the project. So in December we went out to try to explain to them, you know, what the project means to them, what the impacts, are how it's going to benefit them. And included in that presentation, we actually have a number of those safety statistics and time savings statistics available. And I'd be happy to come back next month to the Board and present those numbers, if you'd like.

Sandoval: Well, I'd really encourage to put all of it in there because, you know, also with the merge in that ramp from 95 to the 15 and the number of accidents that that will eliminate because of the merge issue that we have now and expediting that over a period of years.

Mortensen: Absolutely. It's a surprising cost savings to the public when you start talking those user costs as far as, you know, what each accident cost and time savings alone. And so I'm happy to bring that before the Board.

Sandoval: And lives. I mean that --

Mortensen: Lives as well. Absolutely.

Sandoval: I mean we can't lose all of that as we look at these spreadsheets and those types of things, because I there are some -- there's these concrete issues, but there's some of the other issues that we don't consider. The other thing that I

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want to make sure that I mention, and I'll mention it on this Agenda item versus the next Agenda item, is to ensure that we continue, we being the Nevada Department of Transportation, educating the legislature on this. I mean I had the opportunity to watch that hearing last time and there are a lot of member of this legislature who aren't complete -- as familiar as we are with this project. And I think you can never do enough to have an opportunity to meet with those members to ensure that they are -- all their questions are answered; because I got the distinct impression that many of them still had questions.

And this project is too important for everyone not to feel comfortable about it. And I sense that there was some discomfort from some of the members of that Board. So the more that you can do to meet with them, provide them with that information the better.

Mortensen: Absolutely. Absolutely. And I'm happy to do that.

Sandoval: Yeah. Member Skancke.

Skancke: Thank you, Governor. Just a -- I don't really have any questions, per se, just a couple of comments. It appears as though since this project has been in the pipeline since 2003, if I recall -- and no, I didn't have hair back in 2003, but I had a lot more than I do today. That's the funny part of my presentation (inaudible). But it appears as though there's three or four layers of oversight here as you go through the process. So you've got the RTC of Southern Nevada who's partnering this, the City of Las Vegas, the State Board, IFC. Is there another Board that has to go to approval for funding?

Wallin: The Board of Finance.

Skancke: The Board of Finance.

Mortensen: For the bonding.

Skancke: Yeah, so it appears as though there are several layers of oversight to make sure that as we move down -- further down the schedule of the project delivery that there's lot of eyes that are in this project. I think it's important for the public to understand that, you know, this is one of the largest projects in the history of our state. Congestion each year costs our economy in the hundreds of billions of dollars across the country.

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And as someone who's lived in Las Vegas for 25 years, this is the final piece to moving our economy forward. As the CEO or the Economic Development Organization for all of Southern Nevada, by not completing this project fast or quicker or sooner it's costing our economy. It's costing our tourism economy, our (inaudible) economy and quality of life for all the people that live in Southern Nevada. This is the last piece on I-15. And from here we're going to have to look at other alternatives of how we move our communities as we continue to grow. But we need to do, in my opinion, we've got to do this project as quickly and as financially sound as possible.

So looking at the funding mechanisms that you are looking at, these are new for our state. And as the Governor pointed out, I was at the IFC meeting as well. There are a lot of questions because these funding mechanisms and this type of environment is new to our state. But I think it's important for our state to take the lead in these efforts to show how successful a project like this can be across the country, but more importantly if we do this one right then we can do these on other projects. Whether that project's in Winnemucca or Carson City or Reno or Elko or wherever the state -- in the state that these projects would be, if we do this one right then we can continue to use these mechanisms going forward.

So with this type of oversight I believe that we can probably do this project right. So keep up the good work. Thank you.

Mortensen: Thank you.

Sandoval: Thank you, Mr. Skancke. And one last question for me, Mr. Mortensen. We're on schedule. It looks like we're right now where we need to be.

Mortensen: We're -- with the inclusion of phases 2 and 4, originally I had anticipated bringing the RFP to you in February, and now we're looking at April. And so there's been two months there that we've had to expand the schedule so that we can accommodate the additional scope.

Sandoval: But I wouldn't call that -- two months for 10 years. Is that the trade?

Mortensen: I think so, yeah. Yeah, I think we're still doing quite well.

Sandoval: Okay. Any other questions or comments with regard to Agenda Item No. 7?

Martin: I have one.

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Sandoval: Yeah, Member Martin.

Martin: Cole, you showed us two schedules. One was before we added the other two phases and one was after. Could somebody there send me a copy of those two schedules? I -- they were on the screen too fast. I couldn't relate how they fit together. So all I want is those two slides. If they could -- somebody could e-mail that to me that would be perfect so I --

Mortensen: Absolutely.

Martin: -- can get an understanding.

Mortensen: I'm happy to do that as well.

Martin: Thanks, Cole.

Sandoval: Thank you very much, Mr. Mortensen.

Mortensen: Thank you.

Sandoval: We'll move on to Agenda Item No. 8.

Malfabon: Thank you, Governor. This item is for the Board to consider resolution to request the State Board of Finance to issue highway revenue bonds for Project NEON. Robert Nellis will present this item.

Nellis: Thank you, Director, Governor, members of the Board. As Director Malfabon mentioned earlier, on December 9, 2013, the Interim Committee approved a work program providing the Department with authority to expend \$100 million in bond proceeds. The Department requests that the Transportation Board adopt a resolution requesting the State Board of Finance issue highway revenue bonds in an amount not to exceed \$100 million. If approved, the bond sale is scheduled for February 26th, and bond closing will occur on March 19th. Bond proceeds will be utilized to acquire right-of-way needs to construct Project NEON. The resolution is provide as Attachment B for your review and is identical to previous bond resolutions approved by the Transportation Board.

Does the Board have any questions for the Department regarding this resolution?

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Sandoval: Questions from Board members? I have just a procedural question. I sit on the Board of Finance, so am I eligible to vote for a resolution encouraging me to support something on a different board?

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. I'm trying to be as slow and deliberate as I can here. Governor, I would submit that the fact that you sit on both of those boards, either statutorily or constitutionally, you get two bites at this apple, sir.

Sandoval: No, I -- okay. That's fine. I just want to be clear for the record.

Krolicki: Governor, if I might. And hopefully --

Sandoval: Mr. Lieutenant Governor.

Krolicki: -- hopefully your comments will be compelling to yourself as you move forward. There's no question that the \$100 million is going to be necessary and we'll need much more in proceeds going forward. But just in terms of drawdown of those funds, I always just have questions relating to the Cash Management Improvement Act and then -- and then spend-down, drawdown, making sure there were no penalties or what kind of how are you investing these proceeds. So those kind of things just to make sure that if the drawdown is tight as can be and we know that we can spend that money within a certain time frame given the complexities of purchasing right-of-way.

Malfabon: If I may.

Sandoval: Sure.

Malfabon: The resolution was written to give us the maximum flexibility, and it mirrors previous language and bond issuances -- or requests for issuances of bonds for highway revenue bonds. So in order to avoid any kind of penalty by not spending the bond revenue in time, this was written to be flexible to use on these projects. It will also be available for the supportive costs of right-of-way. So if there's legal cost, some of the utility relocations that money can be used to that effort as well.

Krolicki: So, Director, I mean there are proceeds already sitting in the State Treasurer's office from past bonds sales. My only question is this the right moment to be selling the bonds if there are other bonds being sold. And if

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this is just one of the series, it makes great sense to me. But is this the right moment? Because if you don't believe that you can spend it swiftly enough and I believe you can. I just want you to tell me that.

Malfabon: We --

Krolicki: The timing is an issue because there are penalties if you don't spend these proceeds in a timely manner.

Nellis: Yes. And that's why we wrote into the flexibility and the resolution that it's...

Krolicki: These bond proceeds are available to pay other costs related to this or previous bond commitments. Is that right? But you've already got proceeds sitting there. The fact that there are proceeds sitting in the trust fund that's what I'm saying, that you have \$441 million --

Nellis: Correct. The proceeds were expended, so we're just paying back the previous proceeds.

Krolicki: Is there any cash available in the Treasurer's office from bond proceeds to be paid for Project NEON at this point so the cash balance is zero? So you need cash to --

Nellis: No, I just looked over to -- and Dave Olsen, our chief accountant can respond to that directly.

Olsen: Dave Olsen, Chief Accountant. The \$440 million of bond proceeds that's all been spent on projects. That's been on US 95 and the Hoover Dam and some of those other projects we did in the past. So we don't have those proceeds any more. The current \$100 million we expect to spend in about 18 months.

Krolicki: Which is within the framework that we need. Thank you.

Malfabon: Yes, and you stated, Mr. Lieutenant Governor, that regardless of the method of delivery, the right-of-way is required to proceed with the project. We intend to do it as a public-private partnership. But in either case, the right-of-way has to be acquired to further the project.

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- Krolicki: I have no questions on the use. It was more the calendar and the drawdown schedule. Those are when you -- and hearing that there are no bond proceeds available for Project NEON at this time I'm surprised you're only asking for \$100 million. And the ratings will be secured in the next month? We expect AA plus to be supported? It's nice to see Jennifer Stern and Mr. Hobbs in the audience, and Lori. Thank you for being here. But, yes, a AA plus is what we expect.
- Chatwood: We expected to receive AA+.
- Sandoval: Ms. Chatwood, if you would just identify yourself for the record.
- Chatwood: Thank you, members of the Board, Governor. Lori Chatwood, Deputy Treasurer of Debt Management for the State. We are expecting, at this point, to receive the same ratings, the AA plus that we received in 2013. We're working with our financial advisors, Hobbs Ong and Associates and PFM. One of the concerns that we've had is to look at our coverage ratios as we plan for this sale and future bonding that may be needed for this project to maintain those coverage factors that would also solidify our ratings in the future.
- Krolicki: And just for the record, that's -- you're maintaining the three-and-a-half times coverage?
- Chatwood: We're maintaining the bond document at two times minimum without having to have the federal aid applied. And all of our performance that we're working at are a minimum of three times or greater.
- Krolicki: So from a covenant's standpoint, it's two?
- Chatwood: Yes.
- Krolicki: But from a marketplace rating agency, you're still at that three and a half if not more?
- Chatwood: That is correct.
- Krolicki: Thank you.
- Sandoval: Any further questions? Member Fransway.

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Fransway: Thank you, Governor. And maybe somebody can clarify this to me. But to me the resolution in itself is vague and open-ended. It doesn't identify the "projects" as NEON. That's the open-ended part. And it doesn't mention that the primary use as in our packet will be to acquire rights-of-way. So we are not making that statement by adopting the resolution in the language that I read.

Nellis: Member Fransway, Robert Nellis for the record. I believe the intent of that is to leave it intentionally open-ended to provide us with greater flexibility. I don't if, Director Malfabon, you would like to comment.

Malfabon: Yes, it was what I had mentioned before, to give us the maximum amount of flexibility this is the language that we have issued in previous resolutions for the Board to consider for bond issuances; gives us, as a department, the maximum flexibility to spend the funds in order -- within that 18-month period to avoid any kind of penalties or arbitrage. So it's not specific in the resolution and that's why, to give us the maximum flexibility. But the intent obviously is to purchase the right-of-way.

As project manager, Cole Mortensen, provided you with an update earlier, you know, in phase 1 we started buying the right-of-way and we definitely had to manage based on cash flow, but we're only about 70% complete on that phase. When we have the \$100 million we can be more aggressive and acquire the right-of-way for phases 3 and 4 and complete phase 1 in a timely manner. But it was just written in a -- to give us the maximum amount of flexibility and avoid any penalties if we -- so we could spend the money within 18 months.

Fransway: Okay. Thank you. Thank you, Governor.

Sandoval: So if I can interpret that, if we're not able to spend that 100 million on property acquisition, in order to avoid the concerns of the Lieutenant Governor, we can spend it on other things to avoid penalties.

Nellis: Yes.

Unidentified Male: Other eligible things.

Sandoval: Other eligible things.

Nellis: Yes.

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- Sandoval: And just from a procedure standpoint, is this resolution that's something that's necessary as we move through this project?
- Nellis: Yes. In order for -- the Transportation Board is required to approve the resolution then it goes to the Board of Finance for the actual request to issue the bonds.
- Sandoval: So in order for the Board of Finance to consider this item, we need -- the State Board of Transportation needs to present a resolution?
- Nellis: Yes.
- Skancke: I'll make a motion.
- Sandoval: Okay. If there are no further questions from Board members, Member Skancke, are you prepared to make a motion?
- Skancke: I am, Governor. I'll make a motion to approve the resolution as submitted to the Board.
- Martin: Second.
- Sandoval: Okay. The -- Member Skancke has made a motion to approve the resolution as presented as Attachment B under Agenda Item No. 8. Member Martin has seconded the motion. Any questions or discussion on the motion? All those in favor say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes unanimously. Thank you very much. Agenda Item No. 9 --
- Malfabon: Thank you, Governor.
- Sandoval: -- approval of contracts over \$5 million.
- Malfabon: Robert Nellis will continue with this item.
- Nellis: Thank you, Governor, Director. For the record, Robert Nellis, Assistant Director for Administration. There's one contract under Attachment A that can found on Page 3 of 12 for your consideration. This project is a lane widening -- is lane widening the addition of auxiliary lanes and an HOV

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lane, as well as landscape and aesthetic improvements on US 95 from Ann Road to Durango Drive in District 1 Clark County.

The Director recommends awarding the contract to Las Vegas Paving Corporation in the amount of \$35,700,000. Does the Board have any questions for the Department on this item?

Sandoval: Questions from Board members?

Martin: I have one.

Sandoval: Member Martin.

Martin: What's the duration of the contract, sir?

Nellis: This one, four years.

Malfabon: In response to Member Martin and the large sheet says that the working days are 350 working days. So roughly a year and a half.

Nellis: Mm-hmm.

Malfabon: Almost two years.

Martin: Thank you.

Sandoval: Any further questions? If there are none, the Chair will accept a motion for approval of the contract identified in Agenda Item No. 9.

Martin: So moved, sir.

Sandoval: Member Martin has moved for approval. Is there a second?

Wallin: Second.

Sandoval: Second by Madam Controller: Any questions or discussion on the motion? All in favor say aye.

Group: Aye.

Sandoval: Opposed no? Motion passes unanimously. That'll complete Agenda Item No. 9.

Nellis: Yes, sir, that completes that Agenda item.

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Sandoval: We'll move to Agenda Item No. 10, approval of agreements over \$300,000.

Nellis: Thank you, Governor. As Cole Mortensen mentioned in his presentation there are four agreements related to Project NEON under Attachment A on Page 3 of 31. Governor, would you like for me to present all four as a group before taking questions or take them one at a time?

Sandoval: Let's present the entirety, please.

Nellis: Okay. On Agreement No. 1, we have the contractor Nossaman, LLP. This is for Project NEON legal advising. This amendment will increase authority by \$2 million to finalize the RFP, assist with RFP industry review process, post-RFP issuance procurement process, assist in development of evaluation and selection plan, review legal contracts and assist with negotiations with apparent best value propose and contract finalization.

Line Item No. 2 is with Ernst and Young Infrastructure Advisors, LLC. It's for Project NEON financial advising. This will increase authority by \$1,900,000 to finalize the RFP, assist with RFP industry review process, post-RFP issuance procurement process, assist in development of evaluation and selection plan, review legal contracts and assist with negotiations with apparent best value proposer and contract finalization.

Line Item No. 3 is with CH2M Hill Incorporated. It's for Project NEON technical advising. This increases authority by \$4,983,820.11 to develop and prepare the overall P3 procurement and financial approach, to the project assist with RFP industry review, preparation and review of all technical documents and specifications, the overall development and the preparation of the RFP documents, analysis and review of the proposed concepts and support during the selection process.

And finally, Governor, Item No. 4 is with Overland, Pacific & Cutler Incorporated for Project NEON right-of-way services. This agreement is brand new. It's for appraisal review, acquisition and relocation of property management of the P3 phase of Project NEON. And those are all the items related to Project NEON.

Sandoval: Okay. We'll split NEON from the other contracts.

Nellis: Yes, sir.

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- Sandoval: Why the increase, just for the record please, on these 1 through 3 and then separately number 4?
- Nellis: I can -- my understanding, sir, is that these were not increases but were always planned as part of the stage 2 of Project NEON. I don't know if anyone else has comments on --
- Terry: For the record, John Terry, Assistant Director for Engineering. And like you said, we're moving into phase 2 of the project on the first three. In other words, we hired and these are amendments to move into the next phase. Also included is increase in scope from what was originally done in the case of CH -- phases 2 and 4 were added, which were not part of the original agreement.
- In the case of the one at the bottom, this is a new -- or the last one, OPC, this is a new agreement which when we added phases 3 and 4 to the project we needed to hire a consultant to assist us with that, because we did not have the resources to do that.
- Sandoval: Okay. And are we on track with regard to the expenditures that we previously approved?
- Terry: Yes. For the first three we are getting close and we needed to amend that this time. We got through phase 1, but I will say we came very close to expending the full amount of the agreements. These are cost plus fix fee agreements and we probably, within the next month or two, will be very close to expending the original phase 1 portion of the agreement. So, yes, we're under but not by much.
- Sandoval: Well, and I -- where I'm going is that a year from now hopefully you won't be coming back here saying we need more money.
- Terry: I would certainly hope so. I will say --
- Krolicki: I would say what about -- is there a stage 3? Just for clarification --
- Sandoval: No. I guess let me make this distinction. I know that we need to spend more money as we go through the phases, but I just want to make sure that we're staying within our budget that we've -- that we've anticipated as we move through the phases.

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- Terry: Yes, sir. And like the Director said, these agreements, the first three are set up to get us through the entire procurement phase. We will still need help probably from them if we sign contracts with the P3 provider to help us in the oversight. But these are set up to get us to the (inaudible).
- Sandoval: And I want -- I don't want you to misconstrue what I'm -- what I'm asking, is that I understand that there will be more cost as we add those two phases, which is something we didn't anticipate when we approved these in the first place. I just want to make sure as we move along that we're staying within the budget that we put together.
- Terry: Yes, sir, I believe we are. I will amend that by saying, remember, we came to the Board and added phase 4 and that did increase the budget of these, but given that increase we feel we are within the budget we anticipated.
- Sandoval: No, and I just ask that only because in other places, at other times there have been big increases. And I don't want any big surprises, I guess, is what I'm saying. And, again, I understand that as we add phases and we grow this project it means these contracts are going to grow as well. I just want to make sure that we're spending the money as we thought.
- Terry: Yes, sir.
- Sandoval: Other questions? Madam Controller.
- Wallin: Thank you, Governor. I have a question on Items 1 and 2. I don't know who will be able to answer this. In the backup documentation it has a statement here, "Since federal not available for FY 14, use available state and code AC for future federal reimbursement eligibility." And another note, "All federal funds have been assigned to projects." So my question is is 1 and 2 it says that it's federal funds are being -- we're using federal funds to pay for it. It says yes. On 3 it says yes, but we don't have this statement on there, and 4 doesn't have any statement. So can you explain what this little --
- Malfabon: I will take that, Madam Controller. What that's saying is I had mentioned when we were having the Blue Diamond discussion, all of our federal funds have been allocated. So in the case of these expenses for Project NEON for these amendments, AC refers to a term called advance construct. In other words, use of either bond revenue or state funds to do the work and then

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submit it later when you're maxed out on our federal funds you can designate it as advance construct and then get reimbursed later. So it's more or less you're using next year's federal allocation early in the current year where you're maxed out. So it's allowed by the federal financial programmers and it's the method to use state funds to keep advancing the project that you have available funds. And when we get the \$100 million for right-of-way it's another issue.

We're going to be getting additional funds that can be used for these expenses, but it's just a way to get federal reimbursement when you're maxed out on your federal programs.

Wallin: But this won't have an impact in FY 15 then when you're using this --

Malfabon: Yes.

Wallin: So how is that going to affect other projects then?

Malfabon: So we always intended to use federal funds for the project in FY 15. It's just using it earlier with the available state money and then getting reimbursed later, just the way of programming the money so that it can be reimbursed later with the fiscal year '15 funds.

Wallin: All right. Thank you.

Sandoval: Member Savage.

Savage: Thank you, Governor. Briefly, Mr. Terry, I understand the dollar amounts and I know they're justified. My only question is on the end dates in the column, are those end dates correct with Nossaman being 12-31-2017, Ernest and Young, 12-31-2014?

Terry: We have a lot of problems with expiring agreements, so we intentionally set expiration dates later than we anticipate them ending. We fully expect to sign the contracts with the design-build people and moving into the next phase of the project well before those dates, but those are conservative dates intentionally.

Savage: But the -- so that brings to Item No. 3 the 7-31-2014. It seems like it's a six month trigger there. So that may need to be extended.

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- Terry: That's a good catch. I'm going to check on that. That is a very good catch. It should be later than that.
- Savage: Thank you, Mr. Terry. Thank you, Governor.
- Malfabon: And just a follow-up on that comment, Member Savage. We -- the end date on an agreement doesn't necessarily relate. We can have terms in there for the actual performance period, but the end date could be further out than that, just so that we don't have to bring back amendments for just time extensions with no budgetary increase.
- Savage: Thank you, Mr. Director.
- Sandoval: Any further questions with regard to Contracts 1 through 4? Let's move on to the others.
- Nellis: Thank you, Governor. Again, for the record, Robert Nellis, Assistant Director for Administration. There are three more agreements under Attachment A on Page 4 of 31 for the Board's consideration. Number 5 is with Snell and Wilmer for outside legal counsel. This amendment will increase authority by \$825,000 to complete discovery phase of litigation and prepare for pretrial and trial. Number 6 is with Laura Fitzsimmons, Esquire, Project NEON risk and litigation. This is a new agreement for \$900,000 for risk management analysis and litigation strategy for Project NEON. And finally, Item No. 7 with Laura Fitzsimmons, Esquire, is for legal consulting. This is an increase in authority for \$750,000 to address direct cost and expenses for litigation, pay subcontractors providing services and outside counsel services and prosecuting various imminent domain actions and defending various inverse condemnation actions related to the Boulder City Bypass.
- Are there any questions on these items?
- Sandoval: Yes, with regard to 7 -- 6 and 7. So I think I heard you say that this also pays for other counsel, not just Ms. Fitzsimmons. Is that right or is this for her exclusively?
- Nellis: Dennis, would you like to take that?
- Gallagher: For the record, Governor, Dennis Gallagher, Counsel to the Board. This pays for other counsel too under the agreement, as well as outside experts

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that have been retained in regards to the various litigation. Those include engineers, real estate appraisers, financial analysis based upon some of the claims. So these are all encompassing agreements, and I probably -- I don't want to get ahead of myself, but on Item No. 6, which is the new contract, the genesis for that agreement comes from NDOT. And given a view that it would be beneficial to the Department, ultimately as well as the Board, to have a risk analysis performed in connection with all the various moving parts in Project NEON.

We discussed it. We determined that probably the best way to contract and get this type of analysis would be through outside counsel at outside counsel's direction for purposes of providing legal advice both to the Department and the Board, again, in connection with Project NEON. The vast majority of that proposed contract sum is for the subconsultants.

Sandoval: It does beg the question though is what are we getting -- let me phrase it a different way. We have Nossaman that we just approved and now we have Ms. Fitzsimmons.

Gallagher: I think the --

Malfabon: If I may.

Gallagher: -- I should defer to the Director.

Malfabon: Yes. So what Nossaman is providing is legal services on the actual contract with the P3 partner, so a transactional-type of attorney. Whereas, what Ms. Fitzsimmons is going to -- or Ms. Fitzsimmons is going to oversee is more of a comprehensive look at what's the risk, analyze that risk associated with imminent domain actions. So typically we do risk analysis on construction cost. We can -- there's methods to do that. We have engineers that provide that -- or consultant engineers that provide that service on the construction cost.

What we don't have and what's new is more risk specific to Nevada imminent domain and the PISTOL initiatives that changed our constitution and that we've had issues with previously, and Dennis Gallagher provided a presentation to the Board previously on the impacts of PISTOL, People's Initiative to Stop the Taking of Our Land. The idea is that this risk analysis is going to focus on an areas that hasn't been looked at to the degree of what

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is the state of the imminent domain law in Nevada; what's the risk associated with that.

Recently, the Clark County Department of Aviation lost a lawsuit related to imminent domain and inverse condemnation. We want to know specifically what we're -- what our risks are and also to have a decision making process so consider what-if scenarios. What if this parcel is going to cost more? Look at it from the aspects of financial management, right-of-way acquisition, which has very many components in just acquiring a parcel from getting the initial estimate to actually closing the deal with the property owner. We're going to be looking at the entire process and making some improvements, but the idea is we have a limited budget for the project. We want to stick to that budget, but we want to have some analysis and strategy for how to get through this next stage of acquisition of the property and what are the risks associated with the acquisition of the property.

Sandoval: No. And I understand that. I think that's prudent. And I just want to ensure that we -- that Ms. Fitzsimmons has the capacity to handle all that, because she's doing the very same thing for us with regard to the Boulder City Bypass.

Malfabon: Yes, correct. And she -- that was an item that we discussed with her specifically about her availability. As Dennis Gallagher stated, most of this work is going to be done by some subs -- subconsultants.

Sandoval: Okay. Any other questions from Board members with regard to Contracts 5 through 7? Member Fransway.

Fransway: Thank you, Governor. You answered the Governor's question relative to if these funds would be used by other counsel and your answer was, yes, it could be. But we are still giving the remittance to Ms. Fitzsimmons. And so I would suspect that Fitzsimmons would be responsible for providing payment to the other counsels, correct?

Malfabon: Correct.

Fransway: Okay. Thank you.

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- Sandoval: And that expenditure of legal fees will be presented in the latter part of our Agenda as we move forward in the old business, the monthly litigation report or report of outside counsel cost and open matters?
- Gallagher: That is correct, Governor. You'll get that information on a monthly basis.
- Sandoval: All right. Board members, any further questions with regard to Agenda Item No. 10? Member Skancke.
- Skancke: Thank you, Governor. I just wanted to ask Counsel a question. In my previous life before I took this position I had a consulting agency where I was on project teams and represented engineering companies. And two-and-a-half years ago CH2M Hill was a client of mine. I wanted to disclose that that relationship two-and-a-half years ago will not impact my ability, I don't think, to vote, but I wanted to -- or how would I say it, tarnish my judgment. But I did want to disclose that and make sure that I didn't have a conflict in voting for that portion of it.
- Gallagher: Board Member Skancke, first welcome. Secondly, I appreciate your disclosure, but it sounds like you have no currently relationship with them and I see no reason why you couldn't vote on any of these matters.
- Sandoval: If there are no further questions, the Chair will accept a motion for approval of the agreements over \$300,000 as described in Agenda Item No. 10.
- Terry: Governor, if I may. I received some additional information for the Board regarding the dates of -- the end dates on Agreement No. 2 that should, for the record, be replaced an end date of June 30, 2015. And also for the record, Agreement No. 3, the end date should be replaced instead of 7-31-2014, it should be 7-31-2015. Thank you, Governor.
- Sandoval: Thank you. Okay. With that change, is there a motion for approval?
- Skancke: So moved.
- Sandoval: Member Skancke has moved to approve --
- Krolicki: Second.

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Sandoval: -- the agreements over \$300,000 as described in Agenda Item No. 10. Lieutenant Governor has seconded the motion. Any questions or discussion? All in favor say aye.

Group: Aye.

Sandoval: Opposed no? The motion passes unanimously. We'll move to Agenda Item No. 11, Contracts, Agreements and Settlements.

Nellis: Thank you, Governor. For the record, Robert Nellis, Assistant Director for Administration. There is one contract under Attachment A found of Page 4 of 10 for the Board's information. The project is a signal system modification consisting of systematic replacement of protective/permissive heads to utilize flashing yellow arrows in District 1 in Clark County. The Director awarded the contract on December 12, 2013 to Fast Trac Electric Nev-Cal Investors, Inc., in the amount of \$441,763.58. Does the Board have any questions for the Department on this item?

Sandoval: Board members, do you have any questions with regard to the contracts and agreements described in Agenda Item No. 11?

Fransway: Governor?

Sandoval: Member Fransway.

Fransway: Governor, thank you. This has been talked about by the Board before and it relates to specifically the issue of Item 31, and it's in regards to expert witnesses. And once again I see that \$45,000 for expert witness seems to be exorbitant. And I'm wondering -- I'm hoping that this isn't a one-time testimony.

Nellis: Dennis, would you like to take that?

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Board Member Fransway, this particular agreement is to provide expert engineering services for a property related to the I-15 Cactus Project, where there are two billboards. One of which can be relocated; the other which can't. And the engineering services are necessary given that the property owners' claims for highest and best use of the land are contested given certain drainage issues that are particular to this individual piece of property. And while, yes, this is higher than typically our expert witness fees, because this

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involves some engineering to go along with it. These costs would also include any testimony at trial should it be necessary.

Fransway: Is there an anticipated date of settlement on this?

Gallagher: We're set for trial on this one. The parties, so far, as so far apart, Board Member Fransway --

Fransway: Okay.

Gallagher: -- and complicated. A little bit further, the property owner--we have a number of litigation involving this property owner some of which he's walked away and his lenders have now stepped in. Not on this particular parcel yet, but it's always another possibility that we'll be dealing with the banks fairly soon.

Fransway: Okay. So it's a complicated litigation?

Gallagher: It is. It is. It's--I hate to say it's not our run-of-the-mill condemnation case but, yeah, this one is a little more complex than most.

Fransway: Thank you. Thank you, Governor.

Sandoval: Any further questions with regard to Agenda Item No. 11? Thank you very much, Mr. Nellis.

Nellis: Thank you. Would you like to move on to Attachment B --

Sandoval: Sure.

Nellis: -- Governor? Governor, there's 42 execute agreements under Attachment B on Pages 6 through 10 for the Board's information. Does the Board have any questions for the Department on any of these items?

Sandoval: And I apologize. That's what I meant when I was asking questions of the Board if they had any others, and that's where --

Nellis: Oh, okay.

Sandoval: -- Mr. Fransway had gone.

Krolicki: You know, Governor --

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Sandoval: Yes.

Krolicki: -- on Contract 33, on the SB Strategic Consulting, could you just explain that to me? And the math just doesn't seem to add up to me and maybe I'm missing something. I mean it reads on the column well, but not in the columns from the original contract with the amendment.

Malfabon: In response, the original contract, apparently, was \$288,000 then it was amended --

Krolicki: Previously.

Malfabon: -- previously so it doesn't --

Krolicki: It doesn't (inaudible) base in there. Correct.

Malfabon: Yes, it doesn't -- it includes it in the final, in the \$456,000 revised amendment amount, but it -- there was a previous amendment number one that was \$96,000 that you would have to add into that \$72,000 amendment.

Krolicki: And I do see it over there. I was just making sure that it --

Malfabon: Yes.

Krolicki: -- was (inaudible).

Malfabon: And we are reprocurring that service currently. We have an RFP.

Krolicki: Thank you.

Sandoval: Any other questions Board members? Member Fransway.

Fransway: Yeah, Governor. And relative to that Item 33 also, I'm wondering why an increase in time to issue an RFP results in \$72,000 increase.

Malfabon: This is to continue to provide the federal policy analysis service while we are reprocurring the service competitively. So it is for providing service as well as an extension of time.

Fransway: Okay. Thank you.

Skanske: Governor, may I?

Sandoval: Yes, Member Skanske.

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- Skanske: Thank you, Governor. What is federal policy analysis?
- Malfabon: It's our consultants both locally -- it's a team that includes local--Scott Bensing locally and it includes the folks in Washington, D.C. that meet with congressional staffers, find out --
- Skanske: Okay.
- Malfabon: -- what the -- keep their finger on the polls for the reauthorization --
- Skanske: This is John's old contract? Hassell?
- Malfabon: Yes. Yes.
- Skanske: Okay. Thank you.
- Sandoval: Any other questions? Does that conclude your presentation?
- Nellis: Governor, that concludes the items under Agenda Item No. 11.
- Sandoval: And that, for the audience's benefit, is an information item only, so the Board will not be taking action. Move on to Agenda Item No. 12, Direct Sale.
- Malfabon: Thank you, Governor. This is for disposal of NDOT property located along a portion of State Route 578, West Washington Avenue at A Street in Clark County Nevada. This went through the Surplus Property Committee. It was a request from a property owner there adjacent to this property. Basically, it's not needed by the Department so we are looking at a disposal to -- I think the company is provided in a letter there, the owner. It's a direct sale because of the adjacent property owner.
- And just for the Board's information, this is at the top of a slope, so Washington is kind of lower in elevation and there's a slope, and this is the property kind of at the top which has no use for the Department.
- Sandoval: Board members, any questions with regard to Agenda Item No. 12?
- Krolicki: Move for approval.
- Wallin: Second.

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Sandoval: The Lieutenant Governor has moved for approval of the direct sale as described in Agenda Item No. 12. Madam Controller has seconded the motion. Any questions or discussion? All in favor say aye.

Group: Aye.

Sandoval: Opposed no? Motion passes unanimously. We'll move on to Agenda Item No. 13, Approval of Amendments and Administrative Modifications to the 2012-2015 Stip.

Malfabon: Thank you, Governor. Assistant Director for Planning, Tom Greco, will present this item to the Board.

Greco: Thank you, Rudy. Governor, Board members, good morning again. This item is an ongoing regular update to the -- to the stip to discuss and offer for your acceptance any amendments and modifications. The particular stip and -- the particular stip, the document we're working against at the moment was accepted by the Board in October of 2011. The last amendments were offered at the August meeting last year. And with that, I'd move to the exhibits A and B. Exhibit A is a list of amendments. There are two. One is through the RTC of Southern Nevada. They're buying more buses than originally planned. And that's why the dollar amount is going up. The bottom item is through the statewide rural element of the plan, and it is providing funds to make available mobility managers; one in Carson City and one in Pahrump. And it provides \$100,000 each a year and that is salaries, benefits, office space and equipment. Any questions on the amendments sheet?

Sandoval: Any questions, Board members?

Greco: Thank you. Moving to Attachment B, which is modifications. There is one. There's project on Kingsbury Grade within the purview of the Tahoe MPO. And the project funding is being updated. The total project, and not described, but the total project expense is now up to \$16 million. It added additional scope above and beyond the original 3R maintenance effort. It added major drainage, and in order to do that right-of-way is needed. So that's why that project is up to \$16 million. It will be federal, advance construction and gas tax money. Any questions about that item?

Sandoval: Questions from Board members? Mr. Lieutenant Governor.

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- Krolicki: Mr. Greco, could you go through that? I'm looking at the numbers and you say it's gone up to \$16 million. And, I'm sorry, it looks like there's a part that makes it reduce by \$5.9 million if I'm looking at that correctly. Could you just tell me what that project is?
- Greco: Indeed. It is --
- Krolicki: You talked about drainage and things, but is this part of the contract that went sour that we're litigating?
- Malfabon: In response, a portion of this work includes the Peak Construction work that was not performed by Peak when they defaulted on the contract with NDOT. The Transportation Board will have an Agenda item in the future after the guaranteed maximum price is negotiated with Q&D. So this is Constructor Manager At Risk project, CMAR, and currently we're negotiating those contract specifics related to the cost of the project and the guaranteed maximum price, which will come before the Board for a second approval.
- Krolicki: But Q&D, they're ready to start as soon as building season opens in --
- Malfabon: Yes.
- Krolicki: -- May or so.
- Malfabon: Yes.
- Krolicki: So that's -- but that's not (inaudible) --
- Malfabon: Yes. This basically is just to amend -- the planning side of it is to commit the funds in the planning document, so it's an administrative modification to address that cost of the actual cost of the project, which is currently being negotiated, but is estimated as Mr. Greco mentioned.
- Krolicki: To be \$5.9 million dollars less?
- Malfabon: It'll be -- the money -- it will be 16 --
- Krolicki: Just explain what does the \$5.9 million mean? I guess that's my question.
- Greco: It means that that funding stream is reduced, and I don't --I don't know right at the moment what the previous larger dollar amount was. But in order to

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balance all of the federal funding spending, this project got federal money reduced and it got money added as an advance construction effort and an increase in state gas money in order to add up to the \$16 million.

Krolicki: Okay. So I think I'm following, and forgive me. But I mean --

Malfabon: Yes, this only addresses the federal portion.

Krolicki: -- we're talking debits and credits and I get that. But at the end of the day, all sources of funding, this project's cost actually increased.

Malfabon: Yes.

Krolicki: You just have to reduce or debit at \$5.9 million to account that it's not coming from the federal funding side.

Malfabon: Yes.

Krolicki: All right. Thank you.

Greco: Yes.

Krolicki: By the time I'm done with all of this it'll be clear. I've got -- I have one year to go.

Malfabon: And there will be a presentation to the Transportation Board on that cost increase specifically to explain the details of what's associated with that cost increase and how much is associated with the Peak Construction work that was not performed.

Greco: All right. Also, I'd like to offer an update on the stip. In November, we brought you a 2014 stip draft document. We moved that onto FHWA. It needed cleansing. We needed to redo the format and redo the financial constraint spreadsheets. We have done that. The new version that is scheduled to go to FHWA Friday, the end of this week, does include Southern Nevada RTC gas tax projects. So that's a good step that that's included and does not need to be an amendment at a later date.

There is one anomaly where we're working with our RTC Washoe. We will get that project squared away before Friday. And I wanted you to know that that is going to FHWA FTA to get approval, EPA to get acceptance.

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- Malfabon: And Governor and Board members, I wanted to acknowledge the presence of Tina Quigley, the general manager for RTC Southern Nevada, who's here today as well as Lee Gibson, the executive director for RTC of Washoe County. So we really appreciate the partnership that we have with RTCs in the metropolitan areas. Obviously, there's more MPOs, metropolitan planning organizations, than those two but they definitely have the bulk of the work program in the state.
- Sandoval: Mr. Greco, does that complete your presentation?
- Greco: I am through. Thank you.
- Sandoval: Now, I didn't -- wasn't inferring anything by that. Questions or comments from Board members with regard to Agenda Item No. 13. Member Fransway.
- Fransway: Thank you, Governor. Mr. Greco, I'm going to go back to amendments, particularly statewide rural, Amendment No. 7, CL-7. A couple questions. First of all, what's a mobility manager?
- Greco: Do I have any of my transit staff here? No, I don't. I'm on my own. A mobility manager is a person that organizes and manages a transit, a bus program within the rural area. So we provide the funding. We provide the bus. They provide the manager.
- Fransway: Okay. So it's not an in-house position?
- Greco: Not within NDOT.
- Fransway: Okay.
- Greco: It is within the agency that is going to provide and manage the rural --
- Fransway: Okay.
- Greco: -- rural transit program.
- Fransway: And I note here it's a two-year funding request at \$200,000 per year. So are we approving \$200,000 or \$400,000 for two years?
- Greco: We're approving \$100,000 a year for each of the two positions for '14 and '15 for a total of \$400,000.

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Fransway: Okay. Should not the packet reflect that?

Greco: We will make sure the next one does that.

Fransway: Okay.

Malfabon: It does, just not as clear. It says that it's for two fiscal years and \$200,000 each year. So it does say that, it's just that it doesn't do the math for the \$400,000 total. It is for four.

Fransway: Okay. And for the Board's position, it is \$400,000?

Greco: Yes, it is --

Fransway: Okay.

Greco: -- Member Fransway.

Sandoval: Any further questions? If there are none, the Chair will accept a motion for approval of the amendments and administrative modifications to the 2012-2015 stip as described in Agenda Item No. 13.

Savage: Move to approve.

Sandoval: Member Savage has moved to approve. Is there a second.

Wallin: Second.

Martin: Second.

Sandoval: Second by Member Martin. Any questions or discussion on the motion? All in favor say aye.

Group: Aye.

Sandoval: Opposed no? The motion passes unanimously. Thank you, Mr. Greco.

Greco: Thank you.

Sandoval: We will move on to Agenda Item No. 14, which is possible acceptance of the fiscal year 2013 Performance Management Report.

Malfabon: And Assistant Director for Planning, Tom Greco, will present this item quickly.

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Greco: Quickly, yes. I have -- I have eight slides. I do not plan to go through all 15 performance measures. NDOT planning staff along with other staff in all other divisions writes this document once a year, every year. And -- okay. To advance. Okay. Thank you.

Why do we do this? There is a legislative mandate. It is also meant to align with the Governor's direction. And the reasons, goals and advantages is as we do surveys to our customers, to our employees we're able to adjust our program. As I mentioned, there is 15 measures, but we're going to group them into four groups and the first one is employees. And there's three measures there, and I'd like to briefly talk about training, number two. The goal of that measurement is to offer training to 75% of all NDOT's employees every year. In 2012, it was 64% so we did not reach that goal. In 2013, it was 79%. So we are doing better there.

The next group is we're working with partners. As Rudy mentioned, our MPOs, locals, FHWA, the motoring public. And number 12, fatal crashes. It is -- safety is number one with NDOT. Through the Zero Fatalities Program, the ultimate goal is zero. The year-by-year goal is meant to reduce fatalities by 3% a year measured against a five-year rolling average. Between 2006 and '09, fatalities were actually reduced by 40%, which is just outstanding. We are one of the lead states in reaching that kind of a reduction. The bad news is that between '09 and now, the fatal numbers have been pretty flat, 1% up or down year by year which means that our SHSP, our strategic highway safety plan group needs to -- needs to find new and more effective means of dealing with problems that are out on the roadway. And once again the 5-E approach proves to be the most efficient.

Moving to the next group which is delivering projects, number 13 deals with preparation of projects to get them ready to go to bid. And our goals there -- goals -- yes, more than one -- is to have projects go to bid on schedule, and the goal is 70%. And then we also want to be within budget as programmed as it goes out to bid, and that's a goal of 70% also. In 2013, 71% of those projects were on schedule, 42% were on budget. And what that means is that during the planning through design we need to do a better job of managing the scope of the project.

Moving on to maintenance of our assets. Let's talk about number eight. In 2012, we spent \$295 million on highway maintenance issues, resurfacing,

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striping, plowing snow, removing trash. Within our 3-R program there's five different categories of roadways, and there is a maintenance goal on each of those. In 2012, we did not reach any of the five goals. In 2013, we also did not reach any of those goals. It's a difficult balancing act to allocate portions of funds that are going towards maintenance versus those that are going toward new capacity. And even though our roadways are rated very high when measured against other states, that standing -- that position is dropping year by year. And these measurements are meant to give us and you a broad overlook at where our -- where our programs are strong and where they are not meeting goals.

So next steps, Map 21 is designating specific measures for safety, for bridge, for roadway ride ability and maintenance and for a few other specific areas. Next year, we want this document to not just -- not just address the legislative direction, but to blend in both the Map 21 needs and direction and we are working with FHWA on measures that need to go in our stewardship agreement that define what needs to be monitored and approved through FHWA and what they are willing to delegate to the -- to NDOT. I know that that was brief, but I'd wrap that up and ask if there are, indeed, any outstanding questions.

Sandoval: No. And I don't have a question, but more of a comment. A lot of work went into this.

Greco: It does.

Sandoval: What I like about this document is it gives the good, the bad and the ugly. I mean it really gives us a great snapshot of where we're going and this does exactly what I hoped it would accomplish, is absolutely being able to measure things, seeing where we are. I'm always particularly sensitive to the employee issue. And I was curious, when were those surveys put -- when were the surveys with regard to employees put out?

Greco: Dale, are you able to help me out?

Lindsey: It was -- the employee survey was bout the middle of last year, kind of late summer and then we compiled the data around the fall.

Sandoval: Okay. But --

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Greco: Thank you.

Sandoval: -- I mean there's a lot detail in here and I see nods in the audience when I said a lot of work went into this. But it really is helpful to me and this is something that I keep and look at through the year, which is really helpful for me. Comments from other Board members? Member Fransway.

Fransway: Thank you, Governor. And I agree, it's a very interesting document and it does depict the good, the bad and the ugly. Unfortunately, there's a lot of ugly in it. And particularly sobering was the ending fund balance. It's cut in half. And I just -- there's several things in here, you know, where we're slow on being on time with delivering the projects. And my question is is there an intent and a method to improve on these things so that hopefully the next report will not be so sobering?

Greco: And if I may respond to that. The answer is resoundingly yes. This is a NDOT management resource also. We use it to see where we are falling behind, where we're gaining ground and then develop an approach, a program that will mitigate where we're losing ground. Right now with limited resources in both staffing and dollars, as with every agency we are doing more with less. And part of the challenge is focusing on where the funding that is available may best be distributed.

Fransway: And when it comes to the funding and the revenue sources, I know that we are forced to be reactionary. But down the road I'm hoping that things will somehow turn around for us to where we can stabilize the differences between revenue and expenditures. That's my comment. Thanks, Governor.

Sandoval: Madam Controller.

Wallin: Thank you. I always love this report because I always harp on performance majors and reporting, so this is great. Can you comment, because it's been in your previous reports and stuff, talking about in the area of injuries, okay, and medical claims, because I notice that our numbers really aren't changing very much. We went from a high in 2007, and then since about 2010 we've been pretty much flat. And one of the things you keep saying is that the number of employees in your safety and loss control section have not increased since 1969, right.

Greco: Accurate, yes.

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- Wallin: Well, I would think that maybe if you had a few more employees you might save some money here that would more than pay for another person in there, because we just -- we're not getting any better.
- Malfabon: And Madam Controller, in response. In the reduction of construction crew positions and reclassification for other uses that definitely need it, one of them was identified for a safety trainer to go around the state and work with maintenance crews and construction crews. Primarily, a lot of the workplace accidents happen in the field. So we did take one of those positions, reclassified it to improve our safety training workforce.
- Wallin: Okay. And then I have a question. You asked the question, "Is there a better performance measure that should be considered?" And you said "To be discussed," in your medical claims.
- Greco: Every iteration of this document we ask the appropriate division is this measurement valuable, is it appropriate and then we make adjustments as needed. An example, and I don't know which number it is, but bridge maintenance work previously stated as repair one bridge a year. The Map 21 guidelines will redefine that as to what percentage of a state bridge -- state's inventory of bridges needs to be at acceptable levels. That will be a new measurement next year.
- Wallin: Yeah, because that's what was said last year, to be discussed on that.
- Greco: Okay.
- Wallin: So I just, you know -- employee training; I think it's great that we're doing a lot better here. Just something to make note of for your employees. We do have a training -- compute lab training room available and we actually set aside like five days a month for people to come and do it, because when you try to do it at your desk you get interrupted and you don't get it done. So --
- Greco: Thank you.
- Wallin: -- that's something to -- so we might get those numbers up here. My notes. On the employee satisfaction survey and stuff, and like Mr. Fransway said, yeah, it's kind of ugly. But, you know, I saw some improvement here. Now, this survey is definitely anonymous and stuff. Can you tell me a little

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bit about how it's anonymous and how nobody would know that somebody's answering?

Malfabon: I can address that.

Wallin: Because I noticed that the number of people responding have gone down, so I'm wondering if people are feeling --

Malfabon: It actually --

Wallin: -- it's not anonymous.

Malfabon: -- it actually increased this -- I think it increased this last time. But the -- what we do is it's done using Survey Monkey, I think it is called. So it's an anonymous response which makes the employee comfortable in responding and providing comments. There were several comments that were provided only to the Director's office personnel, not to others. But the employees need to be comfortable in responding that it's anonymous and they can give some unvarnished opinions on that.

The -- obviously, there was erosion in employee satisfaction. Much of that in the comments is related to having to pay more for medical benefits or, you know, the pay cuts which are being eliminated. You know, we should see an increase going forward because of the actions that the Governor took on the executive budget request to address some of those things and hopefully continue that trend. As the economy improves there will be more (inaudible) for the state to address some of these employee issues. As everyone knows it's bigger than the Department of Transportation. It's a statewide issue. And what we're seeing is the economy improves, you see a lot more retirements, you see a lot of people leaving for better pay. But definitely compensation was an overriding issue on the employee satisfaction results.

But there are some things that we control as far as how we communicate with our employees, how we take their ideas on how to improve things and advance that; things that we can do to improve satisfaction, the quality of their workplace and their environment. Definitely things that we can control, we can take action on those to improve satisfaction.

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- Wallin: Okay. And to follow up, that kind of gets down to, I think I saw -- read somewhere in there that employees were rather upset about the vehicle fleet and how bad it was and stuff like that. So I was glad to see that we're making some changes in maintaining the vehicle fleet, which is good so --
- Greco: We are.
- Wallin: -- I think that that helps a lot. And then while I'm on that, maintain NDOT vehicle fleet, Page 48, down at the bottom it says "Note: The 2012 Performance Management Report showed an estimated fiscal year 2012 percentage for the pavement preservation effort." Was that a note that should have been over there on pavement preservation, because I'm trying to -- I'm trying to follow that?
- Greco: Yes. Dale is looking at that at the moment and smiling. You want to step up here, please. Dale is one of the authors of this book.
- Lindsey: For the record, my name is Dale Lindsey. I'm with the Performance Analysis Division. And the -- yes, we prepare this report. Apparently, we didn't proofread it well enough.
- Wallin: Okay.
- Lindsey: This note definitely should have been more in the pavement preservation section.
- Wallin: Okay, great. Thank you. And then following up on Member Fransway's comment about the highway fund balance. I guess this would be to Mr. -- to Robert. Do you know what the balance is in our highway fund now?
- Nellis: As of today?
- Wallin: Or today, yesterday. The last time you looked.
- Unidentified Male: It looks like you need \$100 million more (inaudible).
- Wallin: Yeah. I just want to make sure that we're --
- Malfabon: Yeah, it's been between about \$103 to \$112 -- \$120. It's in that range and it is a healthy balance currently. What you saw previously was the highway fund balance was substantial and it got spent down. In order to address the downturn of the economy, we wanted to put that money to work, create jobs

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in the construction sector and the engineering sector. So that was done but, you know, over a year ago we were kind of down -- spent down the account to a level that we didn't feel comfortable with and now it's currently, as we stated, over \$100 million. So we're much more comfortable with that. We're putting out projects still and putting that money to work, but we're definitely watching the cash flow and making sure that we manage the balance accordingly.

Wallin: Okay.

Sandoval: And if I could follow up on that, because you're making an important point, Rudy; is that the healthy balance is right where we are right now. And the point being is that money wasn't doing us any good in the bank.

Malfabon: Correct.

Sandoval: It needed to be out there doing projects and improving the roads and getting people to work. So I don't want the impression to be that we should be alarmed because we're at 120 or 130 where we were, and previously it was in the 200's. I think we've been smart --

Malfabon: Yes.

Sandoval: -- in terms of how we've used the money and we should feel good about where we are right now.

Malfabon: Yes.

Wallin: Yeah, I just wanted to make sure that we weren't (inaudible) --

Krolicki: You're using your balance sheet wisely --

Wallin: But --

Krolicki: -- and that's why it's there. And that cash balance, from a historic standpoint, is spot on where it needs to be. Gives you all liquidity needs that are required.

Malfabon: I think Robert Nellis has the current information.

Nellis: I just -- yes, Madam Controller. Today's cash balance is \$120.11 million.

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Sandoval: Is there an app for that or is that --

Unidentified Male: Secret app.

Sandoval: Secret app. Okay.

Greco: We do get a daily update.

Sandoval: Madam Controller, did you have more questions?

Wallin: I'm done. Thank you.

Sandoval: Okay. Mr. Skancke and then I'll go to Member Savage.

Skancke: Thank you, Governor. I've had lots of comments that I'm not going to go through today, but I did want to focus on Page 33. Having been the -- I'm not certain if beneficiary is the right term, but I guess maybe a victim of this circumstance in a previous life of cooperation of agreements amongst local agencies and federal agencies. Having known that there's seems to be a lot of this when it comes to contract negotiation and agency cooperation, it -- I think it would be helpful if we could maybe set parameters of the game upfront, maybe be more proactive.

Lots of people like to use FHWA or a different department or a different organization to deflect -- I'm not saying you do this, I'm saying in general across the board. Everyone's looking for an excuse sometimes why something can't be done. This costs contractors and developers and departments and the taxpayers millions. Time delays of someone not stepping up and accepting responsibility in these types of negotiations. And I would like to recommend, Rudy, that you and Tina and Lee and others get together in the -- maybe the larger metropolitan areas, because it comes down to utilities, federal highways, power companies, et cetera, of people trying to get all these agreements negotiated. And there's always one that seems to be kind of hanging out there. So maybe there could be a checklist of sorts that we could go through and make sure that all these things are being done proactively because this really holds up projects.

And I'm not saying that anyone is deliberately doing that, but having been on the other side of this for 20 plus years I ran into this myself in my previous life, where we know what the standard operating procedure is for 99.9% of these projects. We know who should be involved upfront. And I

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think if we could just get that done upfront and not have some of these things become surprises at the end it would save us all a lot of time and money and effort. I actually think we could do better. This is good at 50%, but I think we could do better than 50% if we're all sort of working in a little different way going forward. That's not a criticism, it's a suggested solution.

Malfabon: And Governor, Board members, in response to Member Skancke, we do have -- recognized that there is some areas for improvement here. And Robert Nellis is getting with his staff. In general, it's going to affect how we do agreement so that we can do things a little bit differently and a bit more effectively and efficiently. But look at how we negotiate these from the start and some of the terms in there, which are just more time intensive to administer where it's not a lot of payback for some of the requirements that we put in there. So we are looking into that and we will be changing our agreement processes.

And also I think that the agreement staff have really made some efforts to improve on execution and watch these agreements so that they're efficiently managed during the agreement review process; do things concurrently instead of consecutively and such as that. So we definitely see it as room for improvement, but we are taking some steps this year to improve the agreement process.

Skancke: Thank you.

Sandoval: Thank you. Member Savage.

Savage: Thank you, Governor, and thank you, Mr. Greco, Mr. Director, management and administration. Self-evaluations are very difficult and always challenging, but I really want to commend the Department, the attitude. Everyone wants to succeed and be very transparent and I think that's where we're going. And we've been doing that for the last several years and I know we have a lot of wind behind our sails, and I know we can achieve what we need to achieve. So I thank each and every one of the Department from the top to the bottom to look in the mirror and try to get a little bit better, because you guys are doing a great job and I think we will stay on course, keep our eyes on the task and get the road in.

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And that goes to one question, Mr. Greco. Item No. 8, which the preservation of the pavement. You spoke briefly on Page 11. Was there a 2013 percentage?

Greco: I have some help here.

Savage: And I would also like to see the years of 2000 to 2006. If you could forward that to me over the next couple weeks that would be helpful, because then I could relate to the times that we've been in and the challenges that we've had.

Tedford: Sure. For the record, Darin Tedford, Assistant Chief Materials Engineer. Yeah, this is the -- as we collect the data and we monitor our performance, its calendar year. And so depending on which interval we're recording, we hadn't finished '13 by the time this was prepared. So, yes, the '13 is collected and monitored. I don't have the data for what it was up until before the end of the year, but we can get that and then the other data you requested also.

Savage: That would be very helpful. Thank you very much. Thank you, Governor.

Tedford: No problem.

Sandoval: And I guess to follow up Member Savage's question, what's a good measure?

Tedford: What's a good number or what's a good measure?

Sandoval: Well, number I should say because it goes from two to six and a half to 1.1.

Tedford: Sure.

Sandoval: Where should --

Tedford: Sure.

Sandoval: -- we be?

Tedford: If you look at -- if you're on the top of Page 44, if you have that, as we go through the categories that were mentioned before, the different categories of roads that we put our classifier roadway network into, we have our five categories. Right now we're spending what we call betterment money that

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maintenance is using to maintain categories 4 through 5. That's about \$25 million a year. The rest of the money that we are putting towards our category 1, 2 and 3 is between \$60 -- \$75 upwards sometimes of \$100 million a year that we're spending on rehabilitating, restoring those projects.

We would like to have -- you look at the middle of that column where it says "Annual Target." To stay in individual categories, we anticipate we'd like to spend about that much money a year per category. Then when you jump over to the actual annual rehabilitation it's a lot lower than that. Some of this money in category 4 and 5, that 6.7 and the 5.0% is being spent to maintain the roads, it's just not through this budget and, therefore, it's not accounted in this performance measure. Above that you see where we don't have the funding necessary as Mr. Greco noted to balance between rehabilitation and new capacity projects. That's our -- that's our goal, is to find that balance.

So in the middle of that table, we'd like to be spending 10, 8.3 and 8.3 per year on the jobs. And you would go over to the right, we're spending 7.4 and less than a percent on the other ones. That is due to funding. It's also -- the distribution in those three lines is also due to the fact that we know it's smart to spend the money that we do have on the interstates. That's your category one, is your interstates -- high volume, high traffic, high value routes that we know if we let those deteriorate would cost more to bring them back. That is why uneven distribution in those three lines.

Malfabon: And, Governor, I think that in coming months we will have the highway preservation report which covers our highways and bridges. And that document will have a more in depth presentation associated with where our preservation needs are and the funding available. And as Mr. Tedford mentioned, it definitely is a balance between providing capacity, paying basically -- providing the capacity that was needed due to the growth and also safety projects, as well as the preservation projects. So it is a delicate balance and one that we're always trying to find and meet the needs of the citizens of the State of Nevada and the visitors.

Sandoval: So the \$140 million that we spent down on the highway fund went more to new capacity versus maintenance?

Malfabon: I don't have those numbers but --

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Tedford: We can find out.

Malfabon: Yes.

Sandoval: I'd be -- I'd be interested to see that figure.

Malfabon: And if I may, Governor and Board members. We were talking about the State Highway Fund balance, and I wanted to mention something that -- through the construction working group was considering an issue related to payments to contractors, and currently we on a bi-weekly payment system. When we did have spend down of the highway fund, there were concerns that on these months where we have three payments to contractors, because of the bi-weekly nature instead of a monthly payment, they did consider the monthly payment issue, took a lot of feedback at the construction working group on that issue and we decided to stay with the bi-weekly payments. I don't know if Member Savage has anything to add on that issue. But it was something that we looked at because of the highway fund balance concerns, but we decided to stay with bi-weekly payments. And, obviously, there's not as much concern now with the highway fund balance being healthy.

Savage: Just to add to the Director's comment there. I think there is a report due at the next meeting to -- from the CWG to give to the Board. So I think at that time there were some great graphs and analysis that we had reviewed during the discussion of the one time per month versus bi-monthly payments, and it was well analyzed. The Department did well. So maybe during that time we can have that in front of the Board. Thank you.

Sandoval: So in the interest of time, I know if there are any further questions perhaps they can be asked after the meeting. Any further quick questions? If there are none, so I -- this is marked as a -- as an action item. Is there a motion to accept the fiscal year 2013 Performance Management Report?

Fransway: So moved, Governor.

Sandoval: Motion by -- for approval -- or acceptance, I should say, by Member Fransway. Is there a second?

Skancke: Second.

Sandoval: Second by Member Skancke. Any questions or discussion on the motion? All in favor say aye.

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Group: Aye.

Sandoval: Opposed no? The motion passes unanimously. We've already completed Agenda Item 15, so we will move to Agenda Item 16, Old Business.

Malfabon: Thank you, Governor. These are the standing reports on outside counsel cost and open matters and monthly litigation report. One item to add is point of correction on Item C, fatality report. We did get the numbers in. When the report was compiled there was a pedestrian that had been struck in Clark County. They went into the hospital for treatment and subsequently died from their injuries. So that affected the number. So we were two fatalities less than 2012 that occurred in 2013.

The -- obviously, there's a huge challenge to improve our numbers to drive them down. It's at an unacceptable level. We understand that. Definitely with the issues that we discussed earlier, as an example of US 50 and State Route 160 Blue Diamond, the Board is definitely interested in driving those numbers down and supporting the Department in whatever actions we can take to drive those numbers down. And we take that seriously and partnership with law enforcement, our educators that deal with traffic safety education, Department of Public Safety, so -- emergency medical responders. It's working with everybody in this area to drive down those fatalities and we will take that seriously as we go forward into this year.

Sandoval: Thank you. Any questions from Board members with regard to Agenda Item No. 16?

Fransway: Governor?

Sandoval: Member Fransway.

Fransway: Just one quick question. On the fatalities, the 2010-2011-2012 fatalities for Lyon County, how many of those were Highway 50?

Malfabon: We would have to get that information in a future old business item to break that out. But do you have that, Tom? Okay. It was -- since we had looked at US 50 in the previously Agenda Item 15, he has those numbers available.

Greco: I just pulled that up. In the 15-B packet, on the second page, there are fatals in 2008, one in Lyon; 2009, one in Carson; 2010, five in Lyon; 2011, six in

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Lyon; 2012, four in Lyon; 2013, three in Carson. And that adds up to 20, which is 20 more than we want to see.

Fransway: I realize that, Mr. Greco, but I was wondering how many of the Lyon County fatalities were on Highway 50.

Malfabon: These are all associated with US 50.

Greco: Yeah. Well, they all are.

Unidentified Male: Right. They all are.

Malfabon: So there could have been more fatalities in Lyon County or Carson County, but this is specific to US 50.

Fransway: Thank you.

Greco: You're welcome.

Sandoval: Any other questions or comments with regard to Agenda Item 16? Agenda Item 17, Public Comment. Is there any member of the public here in Carson City that could provide public comment? Ms. Quigley.

Quigley: On behalf of the Board of Southern Nevada's Regional Transportation Commission, we just wanted to say we appreciate and we applaud the selection of Tom Skancke to the committee. We very much look forward to the conversations that will ensure as a result of having him on there. He will no doubt bring a very broad and global perspective to the conversations. I also wanted to let you know that I will -- I promised my Chair that I will try to show to these meetings much more frequently as well. I appreciate Rudy and Tracy Larkin in establishing a very close relationship with and connecting more aggressively with the RTC. So we in turn will show up as often as we can to be supportive as well.

Malfabon: And, Governor, I'd like to thank Tina Quigley and the RTC for funding a trip to Phoenix to look at their light rail system later this week.

Sandoval: No. And we, speaking for the Board, appreciate your attendance as well and it looks like the Washoe County folks have left. Oh, there they are. But, you know, this is part of what we're trying to accomplish, is this real-time communication and working together on these projects for the benefit of all

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our citizens statewide. But I think it's really helpful for you to know -- have a firsthand idea of what's going on in our meetings so that if there's an issue or question then we can be responsive right away. So really appreciate you taking the time to be here, all of you.

Public comment from Southern Nevada?

Martin: None here, sir.

Sandoval: All right. Is there a motion for adjournment?

Skamcke: So moved.

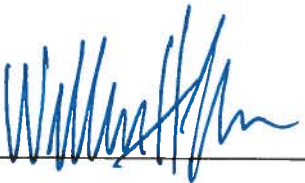
Sandoval: Motion --

Martin: So moved.

Sandoval: -- by Member Skamcke. Second by Member Martin. All those in favor say aye.

Group: Aye.

Sandoval: Motion passes unanimously. Again, Happy New Year everyone. Look forward to a great year. This meeting is adjourned.



Secretary to the Board



Preparer of Minutes